

FBIS

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DELEGATE TO UN DENOUNCES ISRAEL'S OCCUPATION PLAN

OW060750 Beijing XINHUA in English 0737 GMT 6 Dec 84

[Text] United Nations, December 5 (XINHUA) -- China today denounced the Israeli attempt to perpetuate its occupation of Palestine and other Arab territories and to establish a greater Israel.

Chinese delegate Xu Shangwei made the denunciation at the special political committee meeting to discuss Israel's decision to build a canal linking the Mediterranean and the Dead Sea.

Recalling the relevant resolution adopted by the General Assembly on this question in the past four years, which declared the Israeli decision to be in violation of international law and foresaw the direct and irreparable damage such a project would incur to the rights and interests of the Palestinian and Jordanian people, Xu said: "The Chinese delegation believes that the U.N. resolutions reflect the just stand of the entire international community, including China."

He noted that the attitude of the Israeli authorities toward this question, like their position on other Middle East issues, was characterized by an open defiance of the will of the international community and a refusal to abide by the relevant U.N. resolutions, as evidenced by the fact that they are still obstinately pressing ahead with this project.

According to the U.N. secretary-general, Israel has allocated some 24 million U.S. dollars for the project's preparatory work from 1983 to 1985. Work has already begun on an exploratory tunnel near the shore of the Dead Sea.

Xu appealed to the current session of the General Assembly to take further actions and call on all states and specialized agencies to join in "an orchestrated opposition" to this project. He also urged the Security Council to consider taking necessary actions "in case the Israeli authorities persist in their intransigence and continue to act wilfully".

GU MU DISCUSSES BENEFITS OF OPEN-DOOR POLICY

HK050923 Shanghai SHIJIE JINGJI DAOBAO in Chinese 5 Nov 84 pp 1, 3

[Report by Zhu Bing: "Gu Mu on Learning From Experience of Large-Scale Capitalistic Production"]

[Text] At a recent meeting on studying the current situation, Gu Mu, member of the CPC Central Secretariat and state councillor, gave a speech dwelling on the situation in our efforts to open up to the outside world.

He stressed that the open-door policy is our long-term strategy and an important component part of our economic reform. We must carry forward the policy of opening up to the outside world and enlivening the domestic economy and must speed up our urban reform in order to build socialism with Chinese characteristics and create a new situation in socialist modernization.

Gu Mu said: What is the essence of the open-door policy? It can be widely defined. Comrade Xiaoping has given a clear and concise summary of this: "Efforts should be made to attain access to funds and advanced technology in the international sphere to promote our economic development." Recently, when receiving some foreign guests, Comrade Xiaoping said: "Construction cannot be properly handled under a closed-door condition." It was after carefully summing up our experience in domestic construction and analyzing the international political and economic situation that our party formulated the open-door policy. It is not an expedient measure, but a basic strategy of the state.

Gu Mu said: The implementation of the open-door policy is urgently required for our socialist construction. Since the 3d Plenary Session of the 11th CPC Central Committee, our party has shifted the focus of its work onto socialist modernization with a target of quadrupling the annual industrial and agricultural output value by the end of this century. By making great efforts, we will be able to realize this objective. The ongoing reform of the economic structure, including the adoption of the open-door policy, is an important guarantee for the realization of this objective. Our socialist construction is conducted amid international competition in economic development. The economic growth rate constitutes an outstanding issue. Presently our country remains short of funds, backward in technology, and in need of modern management experience. So, while adhering to the principle of self-reliance, we must extend our field of vision from our own country to the world, to introduce more funds, technology, information, experience, and intellectual resources. We should learn from other nations' strong points to offset our weaknesses to raise our growth rate and narrow the economic and technological gap between our country and the advanced countries in the world.

He said: The shortage of funds is a prominent difficulty in our economic development. Every year there are some projects that cannot be included in state construction plans because of the shortage of available funds. How to settle this problem is crucial to our efforts to make greater strides in the four modernizations. In recent years, we have achieved initial results in utilizing foreign funds in our construction. The utilization of foreign funds in building harbors, railways, coal mines, power stations, and developing oil fields and agricultural projects has shown good results. We should advance at a faster pace along these lines.

He said: Our present technological level is 20 to 30 years behind that of the developed countries. In many of our enterprises, equipment is rather obsolete and technology is rather backward. We are facing an arduous task of technological transformation. In recent years, we have spent billions of U.S. dollars on modernizing some departments with imported equipment and technology. At the same time, the establishment of more than 300 Chinese-foreign joint ventures and more than 1,000 enterprises based on Chinese-foreign cooperative management has also brought in some new technology and these enterprises have achieved satisfactory economic results. World economy and technology developed rather rapidly in the 1960's and 1970's, but our development was held up by the "10-year domestic turmoil." At present, a new technological revolution is swiftly spreading across the world. If we fail to work with high efficiency and once again let a good chance slip away, future generations will never forgive us. Therefore, we must boldly and carefully select and introduce new technology in light of our needs and capability. Without changing the backward condition of our technology, we will only trail behind other nations and will never succeed in our modernization program.

Gu Mu said: At present, large-scale socialized production continues to develop in the world. The tremendous advances of science and technology have greatly tightened the economic ties among various countries and regions in the world. History has fully proved the thesis of Marx and Engels that with the exploitation of the world market due to the growth of capitalism, production and consumption in every country has become cosmopolitan in character. Since the end of World War II, this tendency has become even more obvious. International economic relations have gone far beyond the scope of commodity exchange and have entered the fields of technological exchange, financial coordination, and production cooperation.

Gu Mu said: Studying and applying the experience of large-scale capitalistic production to our socialist construction conforms with the Marxist-Leninist theory and should not be regarded as "going against orthodoxy." The experience of managing large-scale socialized production accumulated in the capitalistic production mode should be analyzed according to the viewpoint of one dividing into two. The discovery of objective laws that govern the conduct of socialized mass production and reflect the requisites for developing productive forces constitutes part of the wealth shared by the whole of mankind and should not be regarded as peculiar to capitalism. We should transplant these useful things to our socialist system to promote developing productive forces. Presently none of the economically developed countries closes itself to international intercourse. Our open-door policy also complies with the trend of the world economy and fits in with the inevitable course of historical development.

Some people may ask: What differences are there between today's open-door policy and old China's "open-door" measures such as opening the five treaty ports for foreign trade?

Gu Mu said: These are disparate things. In the past, imperialist powers used warships and big guns to open China's door and to impose unequal treaties on the Chinese people. Today, our adoption of the open-door policy is in the interest of our economic development. This is a policy made by ourselves independently and carried out on the basis of equality and mutual benefit. The fields of investment open to foreign businessmen and the proportion of profit distribution are all specified by the laws of our country. Foreign businessmen in China must abide by our law. We control what to encourage and what to restrict. We have the leadership of the CPC and the strong force of the PLA. We can completely safeguard our independence and sovereignty and can build a powerful and prosperous country.

Gu Mu said: Establishing economic special zones and opening 14 coastal cities represent major steps in carrying out the open-door policy. Establishment of special economic zones in a socialist country is not mentioned by the Marxist classics, so this has caused some concern at home and abroad. Many people have asked: What is all this about? Will this measure impair our sovereignty? As a matter of fact, establishment of special economic zones will never do harm to our sovereignty. The four special zones are not special political areas, nor are they similar to the special administrative regions which will be set up in Hong Kong and Taiwan on the principle of "one country, two systems." They are special economic zones under the leadership of the Communist Party, where special economic policies and management systems are adopted. They also must exercise the people's democratic dictatorship, adhere to the four basic principles, and build socialist spiritual civilization. Establishment of special economic zones in our country represents the development and application of Lenin's theory of using capitalistic things to build socialism.

He said: Economic development in the special zones relies mainly on drawing foreign funds to develop diverse economic forms under the state's guidance. The main body of the economy in the special economic zone consists of Chinese-foreign joint ventures, enterprises based on Chinese-foreign cooperative management, and enterprises exclusively based on foreign capital.

Production there is mainly oriented to export. Market forces are brought into full play in economic activities there, or are allowed to play a major role, under the guidance of the socialist planned economy. This is different from the economic structure in other parts of the country where the planned economy plays a dominant role. The special economic zones offer specially preferential terms and favorable conditions in taxation, land use fees, and border-crossing procedures for foreign businessmen who have invested there. The state grants greater decisionmaking power to the special economic zones, mainly because this will enable them to create a better investment environment to attract foreign investors. However, foreign businessmen and companies must abide by our country's laws and regulations, and this is substantially different from the foreign concessions in the old China.

Some people asked: Since the whole country is subject to the open-door policy, why is it still necessary to establish some special economic zones? Gu Mu said: The open-door policy should be carried out in the light of the special conditions of different areas. When selecting Shenzhen, Zhuhai, Shantou, and Xiamen as the sites for special economic zones, we mainly considered their special geographic positions. For example, Shenzhen is adjacent to Hong Kong, and this enables it to easily introduce foreign funds and technology, obtain international economic information, and expand foreign trade. Since the establishment of the special economic zone in 1979, a huge change has occurred in the economic situation of Shenzhen. This small border town has become an emerging modern city of considerable size. Its industrial output in 1983 was 10 times that in 1978, and its financial revenue also showed a seven-fold increase. The people's livelihood in Shenzhen has markedly improved and the social order is good. Steps to introduce technology have achieved initial results. In addition, the running of special economic zones will enable us to gain more experience that can be applied to our economic reform. We must be very prudent in reforming the economic structure, because a slight move in one part may affect the situation as a whole. However, we can make greater strides in economic reform in the special economic zones on the principle of "handling new things with new methods while adhering to the socialist position." Then, successful experience can be spread to other parts of the country. By doing so, we can limit problems that may possibly occur in the course of reform to a certain extent while exploring new ways through pilot projects in the special economic zones, which may act as a "filter" through which foreign management experience can become better suited to us. For example, Shenzhen's experience in reforming the managerial systems of the building industry and capital construction has been spread to the same trade throughout the country.

Gu Mu said: Last spring, the central authorities decided to open 14 coastal cities, and the decision has evoked strong repercussions in these cities. The people there are highly inspired and have taken rapid action. Various central departments actively helped them settle many problems. Now basic conditions in these cities have been prepared for the opening.

Marked results have been achieved in the past few months since the announcement of opening the 14 cities, even though the cities have not yet created a perfect investment environment to attract foreign investors. In the first 9 months this year, these cities signed more than 400 agreements with foreign businessmen on economic or technological cooperation. The value of foreign funds involved in these agreements is 50 percent greater than the total figure in the previous 5 years. We should further implement this central decision and bring the respective advantages of these cities into full play.

Through the introduction of foreign funds and technology, the transformation of old enterprises, and the development of new technology, they can form varied industrial structures that focus on different industrial fields and show different characteristics, and can produce more and better export-oriented goods, therefore turning their inwardly oriented economies gradually into economies that are oriented to both domestic and international markets. Shanghai, Tianjin, and Guangzhou should be developed into international trade centers. We have now formed a leading position for opening up to the outside world, which consists of the 14 coastal cities, 4 special economic zones, and Hainan Island, which extend from the south to the north. It is certain that technology, funds, information, and intellectual resources will be transferred from the east to the west and from the coastal areas to the interior areas.

In conclusion, Comrade Gu Mu pointed out: The key to the implementation of the open-door policy lies in the party's leadership, so we must make the party rectification a success and bring people's thoughts into line with the party's principles and policies. It is necessary to deepen people's understanding of the open-door policy through the study of the "CPC Central Committee's Decision on Reform of the Economic Structure," which was adopted by the 3d Plenary Session of the 12th CPC Central Committee, to promote economic reform and the open-door measures and open up a new phase in our foreign economic work.

ULANHU RECEIVES NEW SOMALI, VENEZUELAN ENVOYS

OW290812 Beijing XINHUA in English 0705 GMT 29 Nov 84

[Text] Beijing, November 29 (XINHUA) -- Yusuf Hassan Ibrahim, new Somali ambassador to China, and Leonardo Diaz Gonzales, new Venezuelan ambassador to China, presented credentials here this morning to Ulanhu, vice-president of China.

LI PENG VISITS INTERNATIONAL LEATHER SHOW

OW051630 Beijing XINHUA in English 1431 GMT 5 Dec 84

[Text] Beijing, December 5 (XINHUA) -- Vice-Premier Li Peng today visited an international leather machinery and technology exhibition being held here.

More than 80 companies from Europe, North America and Asia are displaying leather products, processing equipment and synthetic materials at the 10-day exhibition, which opened last week. About 30,000 people have already visited it.

Accompanying the vice-premier today were Chairman of the China Council for the Promotion of International Trade Wang Yaoting and other officials.

PRC CITIES TO HOST JUNIOR SOCCER CHAMPIONSHIP

OW052000 Beijing XINHUA in English 1841 GMT 5 Dec 84

[Text] Singapore, December 5 (XINHUA) -- J. Havelange, president of the International Football Federation [FIFA], said here today that the first World Junior Soccer Championships will be held in four Chinese cities from July 31 to August 11, 1985.

Havelange, who arrived here to watch the 8th Asian Cup Soccer Finals Tournament now being played here, told a press conference today in the Mandarin Hotel: The five continents have equal chances to take part in the new world contest, that is, three teams from Asia, Africa, Europe, North and South Americas will be able to take part in the final tournament held in Beijing, Tianjin, Shanghai and Dalian of China. The Oceania, which has five member-associations, will send one team to the finals, he added.

He said, FIFA has decided that the players who compete in new competitions will be under 16 in age.

He also announced the age limit for the 1988 Olympic Games to be under 23 and 1985 FIFA-Coca Cola Cup, the World Youth Soccer Championships, under 20, and no age limit for the World Cup.

He reaffirmed that the 1985 FIFA-Coca Cola Cup Soccer Tournament will be held in the Soviet Union from July 24 to September 7, instead of Chile, due to the fact that Chile is not ready for the tournament. Chile will stage the 1987 tournament, he pointed out.

He said that FIFA is also planning to hold the first World Cup Women's Soccer Tournament in Asia in 1987.

On the standard of Asian soccer at present, Havelange said that he has seen a big progress in the world soccer since he took over the post of FIFA president nearly 10 years ago and one continent is advancing ever faster, that is, Asia, especially in Gulf and Far East.

But there are some problems to stage international soccer tournaments in Asia, he said, adding that before he came here, the Asian Football Confederation had asked FIFA for help in solving the T.V. transmission of the 8th Asian Cup finals. However, the problem has been resolved. He did not reveal the details of the problem. He expressed his hope that soccer and T.V. should cooperate each other and there will be no more such problem in staging international tournaments in Asia in the future.

Asked about the question whether FIFA plans to stage the World Club Tournament in the real sense of world wide, Havelange said, the World Club Tournament, also named the Toyota Cup, was initiated by Europe and South America. Professional football in the two continents has a high standard. Therefore, the time has not come for FIFA to hold the world-wide club tournament.

On the 1986 Mexico World Cup, he said, FIFA has imposed a limit of 5,000 for pressmen to cover the event, including 2,300 journalists, 2,200 for T.V. and radio services and 500 photographers.

He also announced that regarding the conditions in Iraq and Iran, the World Cup qualifying home matches for the two teams will be played outside their countries.

U.S. SPOKESMAN SAYS USSR DEPLOYS MORE SS-20'S

OW060258 Beijing XINHUA in English 0247 GMT 6 Dec 84

[Text] Washington, December 5 (XINHUA) -- The Soviet Union has deployed at least 387 SS-20 missiles, more than double the number it deployed in 1979 when NATO decided to counter the Soviet buildup with new U.S. Pershing and cruise missiles, the U.S. State Department has announced.

State Department spokesman Alan Romberg said the Soviet Union also has more than 10 additional SS-20 bases under construction, whose completion would boost the missile total past 400. "Given the scale of this construction program we expect the 387 number will go up and not down," he added.

Most of the Soviet missiles are pointed at NATO countries, with the others targeted at the Far East. However, Romberg said, "the SS-20 is an inherently mobile system, and mobile launchers can be moved to, and employed from, the field and other locations."

So far, NATO has deployed 91 Pershing 2 and cruise missiles in Europe which are all targeted at the Soviet Union, NATO supreme commander, U.S. Gen. Bernard Rogers, announced last month.

On the total nuclear warhead deployment in Europe, U.S. analysts believe that the Soviet Union has left the United States far behind. Due to its withdrawal of older warheads, the U.S. warhead total has declined since 1979 from 7,000 to 6,000 as against more than 8,000 warheads deployed by the Soviet Union.

PRC ENVOY ATTENDS PHOTO SHOW IN WASHINGTON

OW040802 Beijing XINHUA in English 0656 GMT 4 Dec 84

[Text] Washington, December 3 (XINHUA) -- A photo exhibition about Beijing, capital of China, opened here tonight. The exhibition "Beijing, Ancient and Modern: the City and Its People" is the first exchange activity under the Beijing-Washington, D.C., agreement on establishing inter-city friendly relations. The agreement was signed by mayors of the two capitals in May 1984 to promote friendship and understanding between the people of the two cities through cultural, economic, educational and technical exchanges.

Inaugurating the exhibition in the Washington Convention Center, Mayor of Washington Marion Barry said the exhibition will help complement and enhance the plans for development of economic and trade opportunities which will benefit the residents of both cities.

Washington will also send an exhibition to Beijing in the near future, Barry added.

Chinese Ambassador Zhang Wenjin expressed the hope that the exhibition will make great contribution to the understanding between the people of the two cities and that this exchange will be expanded to other fields.

On display are some 100 color pictures depicting both ancient and modern Beijing and the life of its people. Co-organized by Beijing and Washington, D.C., the exhibition will open daily until December 20.

EXTRADITION OF HENRY LIU MURDER SUSPECTS URGED

OW052004 Beijing XINHUA in English 1911 GMT 5 Dec 84

[Text] Washington, December 4 (XINHUA) -- The "Committee of the Jiang Nan (Henry Liu) Incident" issued a statement today, urging the U.S. federal Justice Department to immediately set up a federal jury to file a suit against the suspects in the murder of Chinese-American writer Henry Liu and extradite them from Taiwan to the United States, according to reports from San Francisco.

The statement pointed out that initial results of the investigation released on November 29 by the Police Department of Daly City, California, and a FBI task-force show that "the Jiang Nan incident is a case of political murder and the chief plotters are influential figures in Taiwan. Its purpose was to gag Jiang Nan and to prevent him from publishing his historical works on Chiang Kai-shek and his son."

Refuting a rumour from Taiwan that Henry Liu was gunned down as a result of his articles criticizing the so-called "Bamboo Gang," the statement said that he had never written any article on the "Bamboo Gang" or other gangs and had never been extorted or black-mailed by any gangs, including the "Bamboo Gang." There had neither been any personal reasons which might have made chieftains of a Taiwan underworld gang with their aides come across the ocean to assassinate Jiang Nan.

The statement said that last week, the Taiwan authorities claimed that they will file a suit against those who have criticized them after the Jiang Nan incident.

The "Committee of the Jiang Nan Incident" will not be cowed by the Taiwan authorities, the statement noted. It said that the committee will continue to call on the American people and Overseas Chinese to join in its efforts for tracing the cause of the incident so as to bring the whole thing to light and deal with the murderers and the principal criminal according to law.

It was reported that the judicial authorities of San Mateo County in California issued a warrant on December 3 for the arrest of Chen Chi-li, one of the suspects and chieftain of the "Bamboo Gang."

Since Chen Chi-li is now in Taiwan, the police authorities will also apply to the U.S. federal Justice Department for a federal warrant against him on a charge of his illegal runaway for escaping a suit against him.

DEMONSTRATORS IN U.S. MARCH AGAINST SOUTH AFRICA

OW052032 Beijing XINHUA in English 1949 GMT 5 Dec 84

[Text] Washington, December 5 (XINHUA) -- American people's protestation against South Africa's racial policies continued today, with demonstrators marching in front of the South African Embassy here and South African consulates in New York, Boston, Chicago, Los Angeles, Houston and Seattle.

In the largest turnout of protesters since the "Free South Africa" protests which began Nov. 21, more than 500 demonstrators, most of them black, picketed the South African Embassy here today, chanting slogans and carrying placards. The demonstrators were marching in peace, condemning South African apartheid policy, calling for the release of 21 black labor leaders who were recently arrested and imprisoned without charges in South Africa, and criticizing the U.S. policy towards South Africa.

The 13 million-member AFL-CIO has joined the two-week-old protest movement and held the largest demonstration yet before the South African Embassy here. The arrests of three more labor officials here brought to 23 the number of protesters arrested.

Speaking before members of the House Foreign Affairs Subcommittee on Africa, Nobel Peace Prize winner Bishop Desmond Tutu of South Africa said Tuesday that he wants a face-to-face meeting with President Reagan to try to persuade him to end policies that Tutu called "immoral, evil and totally un-Christian" collaboration with the South African system of racial segregation. A White House spokesman said no such meeting was planned.

U.S., VENEZUELAN LEADERS DISCUSS C. AMERICA

OW050754 Beijing XINHUA in English 0735 GMT 5 Dec 84

[Text] Washington, December 4 (XINHUA) -- U.S. President Ronald Reagan and his Venezuelan counterpart Jaime Lusinchi met today to discuss Central American issues including the Contadora process and the debt problem. At the welcoming ceremony, President Reagan praised Venezuela's peace efforts in Central America as a member of the Contadora Group, which consists of Venezuela, Mexico, Panama and Colombia.

"The United States places great importance on all 21 objectives of the Contadora process," said the President, adding that the Contadora objectives, if put into practice simultaneously with effective verification, "offer the best hope for peace in Central America."

In his speech, Reagan attacked the Nicaraguan Government by saying it had "betrayed" its citizens by allying with Cuba and the Soviet Union and called last month's vote in the country a "sham election."

Lusinchi stressed that Venezuela is committed to a peaceful solution to the region's conflicts, saying "we do not believe that the solution to this delicate and complex crisis of the Central American countries can be one of force or military involvement."

"The only viable path and the only lasting solution rests on designing and implementing a policy of democratization, pluralism, social justice, and economic development for all the countries of the region to the exclusion of none." The solution to the existing crisis rests not on the use of force, but on "an effective democratization of the region and the exclusion of external factors, be they continental or extra-continental."

On economic issues, Reagan said the U.S. supports "the responsible decisions" that President Lusinchi is making to put his country back on the track to strong economic growth.

Reagan and Lusinchi discussed their problems for an hour and a half together with Vice-President George Bush, Secretary of State George Shultz, Secretary of the Treasury Donald Regan and National Security Adviser Robert McFarlane. Reagan will hold a state dinner for President Lusinchi this evening.

USSR STEPPING UP DIPLOMACY WITH WEST

OW060331 Beijing XINHUA Domestic Service in Chinese 1514 GMT 4 Dec 84

[Roundup by XINHUA reporter Wang Chongjie: "Soviet Diplomacy Has Become More Active"]

[Text] Moscow, 4 Dec (XINHUA) -- Despite the severe winter cold in Moscow, which is now a world of ice and snow, diplomatic activities here are quite intense, and one may even say that there is a warm current. It sharply contrasts with the situation a few months ago, when the weather here was warm but diplomacy was inactive.

Such a change is primarily reflected by Soviet-U.S. relations. Shortly after Ronald Reagan was reelected U.S. President, Moscow sent a series of signals, repeatedly indicating its willingness to improve relations with the United States and reach an agreement on limiting nuclear armament. Soviet leader Konstantin Chernenko has proposed to U.S. President Reagan that new talks on a series of issues regarding nuclear and space weapons be held between the two countries. Both sides have announced that Soviet Foreign Minister Andrey Gromyko and U.S. Secretary of State George Shultz will meet in Geneva on 7 and 8 January next year to discuss an agenda for the new talks. From 28 through 30 November, Soviet and U.S. representatives held their fourth round of talks in Moscow on nuclear nonproliferation, and since both sides have expressed interest in preventing nuclear weapons proliferation to other countries, they decided to hold a regular meeting every 6 months. Nikolay Tikhonov, chairman of the Soviet Council of Ministers; Nikolay Patolichev, Soviet minister of foreign trade; and Guriy Marchuk, chairman of the Soviet State Commission for Science and Technology, also met in Moscow with Dwayne Andreas, chairman of the U.S. side of the Soviet-U.S. Trade and Economic Committee, and both sides have indicated willingness to broaden the two countries' economic and trade relations. Moscow and Washington have also been discussing the timetable for a summit conference of the two countries' heads of government.

At the same time, the USSR has also apparently increased its contacts with other countries of the West. Neil Kinnock, leader of the British Labor Party, visited Moscow in late November and exchanged views with Chernenko on bilateral and East-West relations. Mikhail Gorbachev, member of the Politburo of the CPSU Central Committee and secretary of the CPSU Central Committee, headed a delegation of the Supreme Soviet in visiting Great Britain not long ago. In early November, Tikhonov, chairman of the Soviet Council of Ministers, met in New Delhi with Hans-Dietrich Genscher, vice chancellor and concurrent minister of foreign affairs of the FRG. French President Francois Mitterrand recently announced that Chernenko would visit France next year, and both sides have expressed hope to arrange the meeting. In late November, Austrian Chancellor Fred Sinowatz visited the USSR and had talks with Tikhonov and Chernenko. In late October, Dinnukhamed Kunayev, member of the Politburo of the CPSU Central Committee and first secretary of the Kazakh CPSU Central Committee, headed a delegation of the Supreme Soviet in visiting Japan; and in early November, Tikhonov met in New Delhi with Japanese Prime Minister Yasuhiro Nakasone. There will be more diplomatic activities before the end of this year and next spring. In short, it has been a busy season for Soviet diplomatic activities.

Comparing the recent situation with that of 1 year or so ago, it is not difficult to see that the USSR has taken a new attitude toward its foreign policy.

The new diplomatic approach by the USSR has become more apparent since Reagan was reelected U.S. President. Lately Reagan's remarks have also become more positive. This shows that improving Soviet-U.S. relations, which have been strained for the past several years, is necessary for both sides.

On the other hand, under the situation marked by strained Soviet-U.S. relations and intensification of the arms race, antiwar campaigns strongly demanding an end of war threats and tension continue to develop in various countries of the world, particularly in the United States and some Western European countries. Under such circumstances, the USSR has tried to shift through diplomacy all the blame to the United States. The large volume of relevant commentary published by the Soviet press stresses that Reagan's Soviet policy has remained essentially unchanged. The latest issue of NOVOYE VREMYA points out that if Reagan has "changed anything at all it is the tone and rhetoric of his public speeches. Although that may make him appear more respected among some people, his face beneath the cosmetics remains the same." The USSR has repeatedly indicated that it hopes the United States will match its words with deeds, and "take definite and constructive measures" to improve the two countries' relations. The USSR has also repeatedly indicated that it will never allow the United States to gain military superiority in all areas of arms race.

What will be accomplished by the USSR's new diplomatic efforts and the forthcoming "new talks" between the USSR and the United States? Moscow's observers have avoided making positive judgments. One common way of saying it is: "Only time will tell."

ARKHIPOV MEETS WITH PRC TRADE DELEGATION

OW060230 Beijing XINHUA in English 0219 GMT 6 Dec 84

[Text] Moscow, December 5 (XINHUA) -- Soviet First Vice-Premier Ivan Vasilyevich Arkhipov met here this afternoon the visiting Chinese trade delegation led by Chen Jie, representative of the minister of foreign economic relations and trade.

During the meeting, the Soviet vice-premier hoped the Soviet Union and China will continue to develop their relations in the economic, trade and other fields.

Present at the meeting, which proceeded in a friendly atmosphere, were Chinese Ambassador to the Soviet Union Yang Shouzheng and Soviet First Vice-Minister of Foreign Trade Gennadiy Kirillovich Zhuravlev.

Chen Jie had visited Leningrad and other places after the signing of a Sino-Soviet trade agreement on November 30.

CHERNENKO SEEKS BREAKTHROUGH IN ARMS TALKS

OW060254 Beijing XINHUA in English 0221 GMT 6 Dec 84

["Chernenko: Moscow Ready To Achieve Breakthrough in Arms Talks" -- XINHUA headline]

[Text] Moscow, December 5 (XINHUA) -- Soviet leader Konstantin Chernenko said today Moscow is "firmly determined to achieve a major breakthrough" in the forthcoming Soviet-U.S. arms talks, the Soviet news agency TASS reported.

In a message to the International Physicians for the Prevention of Nuclear War, Chernenko said, "the Soviet Union looks to the talks with a view to achieving mutually acceptable understandings on the entire set of questions related to nuclear and space weapons."

"Resolving the question of space weapons is now of primary importance," Chernenko said.

"Militarization of outer space, if not securely blocked, would cancel everything that has so far been achieved in the field of arms limitation, spur the arms race in other areas and dramatically increase the danger of nuclear war," he said.

The Soviet-U.S. Geneva arms talks broke down at the end of 1983 following the arrival of new U.S. medium-range cruise and Pershing missiles in West Europe.

The Chernenko statement, which came before the meeting in Geneva on January 7-8 between Soviet Foreign Minister Andrey Gromyko and U.S. Secretary of State George Shultz, indicated a Soviet preoccupation with space weapons and a U.S. concern about limiting nuclear-armed missiles.

NPC DELEGATION BEGINS GOODWILL VISIT TO BURMA

OW051650 Beijing XINHUA in English 1436 GMT 5 Dec 84

[Text] Rangoon, December 5 (XINHUA) -- A delegation of the Chinese National People's Congress headed by Ye Fei, vice chairman of the NPC Standing Committee, and Wang Hanbin, secretary-general of the committee, arrived here this afternoon for a goodwill visit.

They were greeted at the Rangoon airport by U Gaik Tar No, member of the panel of chairmen of the Burmese people's assembly.

Ye Fei said in a written statement at the airport that thanks to the joint efforts by the leaders and people of the two countries, there has been a further development in the friendly and cooperative relations between the two countries and the traditional friendship between the two peoples in recent years. "President U San Yu's visit to China a month ago wrote a new chapter for the friendly and cooperative Sino-Burmese relations. I hope, our visit will help further strengthen the link and cooperation between the NPC of China and the people's assembly of Burma, and make an active contribution to the development of Sino-Burmese friendship," he said.

Rangoon Banquet

OW052034 Beijing XINHUA in English 2009 GMT 5 Dec 84

[Text] Rangoon, December 5 (XINHUA) -- The panel of chairmen of the seventh session of the Third People's Parliament of Burma gave a banquet here this evening in honor of the delegation of the National People's Congress of China headed by Ye Fei, vice chairman of the Standing Committee of NPC.

Member of the panel of chairmen U Gaik Tar No presided over the banquet. In his toast, U Gaik Tar No expressed the hope that the existing paukphaw relationship between the two countries and two peoples will further be strengthened and substantiated.

In his reply, Ye Fei pointed out that under the present unrest international situation, to strengthen Sino-Burmese friendly and cooperative relations not only conforms to the fundamental interests of the two countries, but also benefits peace and stability in the region. China believes that the friendly and cooperative relations between the two countries as well as between the NPC of China and the people's parliament of Burma will be consolidated and developed, he said.

He stressed that Chinese people sincerely hope to continue such relations from one generation to another.

Before the banquet, U Gaik Tar No and the other four members of the panel of chairmen of the Burmese people's parliament received all members of the Chinese delegation.

LI, ZHAO GREET LAO LEADERS ON ANNIVERSARY

BK021234 Beijing International Service in Lao 1230 GMT 1 Dec 84

[Text] Today, Comrade Li Xiannian, president of the PRC, and Comrade Zhao Ziyang, premier of the PRC, sent a message to Comrade Souphanouvong, president of the Lao People's Democratic Republic [LPDR] and chairman of the Supreme People's Council, and Comrade Kaysone Phomvihane, chairman of the LPDR Council of Ministers, wholeheartedly congratulating them on the occasion of the ninth anniversary of the LPDR founding. The message reads:

On the occasion of the ninth anniversary of the founding of the LPDR, we extend our wholehearted congratulations to you, comrades, and, through you, to the LPDR Government and the Lao people. We sincerely hope that the diligent and intelligent Lao people will advance steadily in the struggle to build their own country.

Our two countries -- China and Laos -- are neighbors which see each other every day. In carrying out the struggle against colonialism, neocolonialism, and imperialism for a long time, the peoples of the two countries always sympathized with and supported each other, but forgot close friendship. The Chinese Government and people cherish the traditional friendship between China and Laos, and sincerely hope that it will be restored and developed.

Beijing Party Marks Occasion

BK021242 Beijing International Service in Lao 1230 GMT 1 Dec 84

[Text] A Beijing radio correspondent says that to celebrate the ninth anniversary of the LPDR National Day, on the afternoon of 1 December in Beijing, the Chinese People's Association for Friendship With Foreign Countries hosted a cocktail and film reception. Wang Fulin, vice chairman of the Chinese People's Association for Friendship With Foreign Countries, and (Zhong Kang), deputy director of the Asian Affairs Department of the PRC Foreign Ministry, and Chaleune Warintrasak, charge d'affaires ad interim at the LPDR Embassy in China, attended the reception. Wang Fulin and Chaleune Warintrasak engaged in a conversation in an intimate and friendly manner. Following the cocktail party, a Chinese film entitled "The No 1 Doctor of the South" was screened.

BRIEFS

JOINT VENTURE IN SHENZHEN -- 21 Nov (XINHUA) -- The Hualian Textile Company Ltd. in Shenzhen and the Danyi Company Ltd. in Hong Kong signed a contract in Beijing 21 November to build the Hualian Center Mansion in Shenzhen. With a total investment of HK\$160 million, the building will have 37 stories and 45,000 square meters of office space. Upon completion, the building will be run by the Hong Kong New World Hotel and the Hualian Textile Company. China's textile industrial departments will use the building for science and technology exhibitions, fashion shows, and trade talks with foreign firms. [Summary] [Beijing XINHUA Domestic Service in Chinese 1414 GMT 21 Nov 84 OW]

BRITISH HOUSE APPROVES HONG KONG DECLARATION

OW060722 Beijing XINHUA in English 0640 GMT 6 Dec 84

[Text] London, December 6, 1984 (XINHUA) -- The British House of Commons unanimously approved the Sino-British declaration on Hong Kong at midnight after more than six hours of debate. The debate was based on the motion concerning the Hong Kong agreement submitted by Prime Minister Mrs Margaret Thatcher and Cabinet ministers.

The agreement which the motion recommends for the House's approval is "a document of historic importance." "It has a significance that goes well beyond Hong Kong itself," said Foreign Secretary Geoffrey Howe in a speech starting the debate.

Under the agreement, which is both comprehensive and detailed, he said, "British administration in Hong Kong would cease after 1997 and Hong Kong, though becoming a part of China, would retain her distinctive way of life as a special administrative region of China."

"It must be said that this agreement would not have been possible without the vision and realism which has characterized the approach of the Government of the People's Republic of China," he pointed out.

He went on to say, "the concept of maintaining two separate political, economic and social systems within one country is a far-sighted one, which is closely associated with Chairman Deng Xiaoping himself."

He said that 1997 would not just mark the end of an era in Hong Kong: "More important than that, it will mark the beginning of a new era."

The shadow Foreign Secretary Denis Healey welcomed the terms of the agreement, describing it as "the best we have." He said that it was vital to ensure that the terms were carried out on the basis of the continuing prosperity and well-being of the people of Hong Kong.

Former Conservative Prime Minister Edward Heath extended full congratulations on the "realistic agreement".

Among those who spoke at the debate were Peter Blaker, chairman of the Hong Kong group of the House of Commons; Robert Adley, chairman of the British-Chinese group of the Parliament, and Liberal MP Paddy Ashdown.

To conclude the debate, Minister of State for Foreign Affairs Richard Luce noted, "The agreement was widely welcomed by this House," adding that it is "a unique agreement for unique circumstances." It has been announced that there will be a debate on the same agreement in the upper house on December 10.

Howe Discusses Agreement

OW060724 Beijing XINHUA in English 0703 GMT 6 Dec 84

[Excerpts] London, December 5 (XINHUA) -- "It must be said that this agreement would not have been possible without the vision and realism of the Government of the People's Republic of China to these negotiations," Howe noted.

He stressed that the joint declaration and its annexes "constitute a legally binding international agreement;" that "the policies set out in the agreement will, under the terms of the agreement, be stipulated in a basic law which will be passed by the National People's Congress of China;" that the agreement "provides sufficient detail" to give confidence that "the future is a secure one."

Referring to the "crucial" next 12 years between now and 1997, the foreign secretary said that "there will be a need for close cooperation between Britain and China" in that period and the joint liaison group "is the best means of achieving this and so of avoiding abrupt changes in 1997 which might disturb the continuity of life at that time."

"As a means of reconciling the apparently irreconcilable, it could have important implications for problems in other parts of the world."

"This is an honorable agreement," the British foreign secretary concluded.

QIAN LIREN, GREEK OFFICIALS MEET IN ATHENS

OW051640 Beijing XINHUA in English 1454 GMT 5 Dec 84

[Text] Athens, December 5 (XINHUA) -- Qian Liren, head of the Liaison Department of the Chinese Communist Party, in the capacity of the representative of the party, held political talks here on December 3 with Apostolos Tsokhatzopoulos, member of the Executive Bureau of the Panhellenic Socialist Movement (PASOK) and Greek minister to the prime minister, and Gerasimos Bristoyiannis, member of the Central Committee of the movement.

Both sides considered that there existed common or similar positions between the two parties on many issues and expressed their common desire for the further development of the friendly and cooperative relations between the two parties.

The PASOK accepted with pleasure an invitation from the Chinese Communist Party to send a delegation representing its Central Committee to visit China in 1985.

The talks proceeded in a sincere and friendly atmosphere.

During the talks the two sides briefed each other on works of their respective parties and exchanged views on international issues of common concern, especially those concerning peace, disarmament, national independence and others.

Chinese Ambassador to Greece Zhuan Yen was also present during the talks.

Qian Liren and his party arrived here on December 2 for an official visit to Greece at the invitation of the PASOK party.

Apostolos Tsokhatzopoulos gave a dinner last night at the Blue Pine Restaurant on the outskirts of Athens in honor of the visiting guests.

NPC DELEGATION LEAVES FOR TANZANIA, ZAMBIA

OW060244 Beijing XINHUA in English 0233 GMT 6 Dec 84

[Text] Beijing, December 6 (XINHUA) -- A delegation of the Chinese National People's Congress led by its Standing Committee Vice-Chairman Huang Hua left here this morning to pay good-will visits to Tanzania and Zambia.

Upon his departure, Huang Hua told XINHUA in an interview that the purpose of their friendly visits to the two countries was to further strengthen friendly relations and cooperation between China and Tanzania and Zambia, and promote mutual understanding and friendship between the parliaments and peoples of the three countries.

Seeing the delegation off at the airport were Vice-Chairman of the NPC Standing Committee Ngapoi Ngawang Jigme, and Tanzanian Ambassador to China Clement George Kahama and Zambian Ambassador to China Mainza Chona.

PRC, KUWAIT TO ENHANCE ECONOMIC COOPERATION

OW051704 Beijing XINHUA in English 1616 GMT 5 Dec 84

[Text] Kuwait, December 5 (XINHUA) -- Chairman Rong Yiren of the Board of Directors of the China International Trust and Investment Corporation said China and Kuwait have a common desire to further their economic cooperation. He said the prospects for this cooperation are broad.

Speaking to XINHUA today after his four-day visit here, Rong said the Kuwaiti leaders give much importance to China-Kuwait cooperation. They hope it will serve as a model of South-South cooperation to benefit world peace and prosperity. During his stay here, Rong met Kuwaiti Crown Prince and Prime Minister Sa'd al-Salim al'Sabah and other government officials.

He said a number of Kuwaiti businesses are considering investments in China because, with guarantees from the Chinese Government, they are desirable and safe. Rong and his party left here for the United Arab Emirates this afternoon,

ETHIOPIAN LEADER BRIEFS PRC ENVOY ON DROUGHT

OW051652 Beijing XINHUA in English 1442 GMT 5 Dec 84

[Text] Addis Ababa, December 5 (XINHUA) -- Mengistu Haile Mariam, chairman of the Ethiopian Provisional Military Administrative Council, today updated Chinese Ambassador Zhao Yuan on the drought situation in Ethiopia.

Mengistu told Zhao that Ethiopia is implementing its plan to resettle the drought victims to nonaffected areas. They also discussed furthering relations between their countries.

HAN XU ENDS 4-DAY VISIT TO ANTIGUA, BARBUDA

OW051658 Beijing XINHUA in English 1602 GMT 5 Dec 84

[Text] Bridgetown, December 4 (XINHUA) -- Chinese Vice Foreign Minister Han Xu today concluded his four-day working visit to Antigua and Barbuda, an island country in the Caribbean.

According to a report from St. John's, capital of the country, during his visit, the Chinese vice foreign minister was received by Governor-General Sir Wilfred Jacobs and Prime Minister Vere Bird of Antigua and Barbuda respectively and had cordial and friendly talks with them. Han Xu also exchanged views with Deputy Prime Minister and Foreign Minister Lester Bird on international issues of common concern as well as bilateral relations.

Last night, I. Bird held a banquet in honor of the Chinese vice foreign minister. Present on the occasion were Prime Minister V. Bird, president of the Senate and other government ministers.

PRC, BRAZIL DISCUSS SPACE TECHNOLOGY COOPERATION

OW041549 Beijing XINHUA in English 1519 GMT 4 Dec 84

[Text] Beijing, December 4 (XINHUA) -- Chinese Minister of Astronautics Industry Zhang Jun gave a dinner here tonight for Waldir de Vasconcelos, chairman of Brazil's Space Activities Committee, and his visiting party.

The Brazilians arrived here on Sunday to discuss co-operation in space technology between the two countries. Earlier today, the two sides held the first round of talks. Sources close to the ministry said that these were the first official talks between China and a Third World country on space technology co-operation.

CANADIAN JAILED IN PRC FOR CREDIT CARD FRAUD

OW050741 Beijing XINHUA in English 0655 GMT 5 Dec 84

[Text] Shanghai, December 5 (XINHUA) -- A Canadian businessmen working in Hong Kong has been jailed for five years here for using illegally gained credit cards to defraud Chinese banks of over half a million yuan.

Zen Tee Peter Leigh, 32, manager of the Hong Kong branch of Mannia Marketing Ltd. of Canada, used credit cards gained in Hong Kong to draw cash advances of 507,685 yuan (about 131,000 U.S. dollars) in foreign exchange certificates from Bank of China branches in Guangzhou, Beijing and Shanghai from March to August last year. [Beijing XINHUA Domestic Service in Chinese on 4 December at 0311 GMT carries a similar report in which the Canadian citizen's name is given as Qing Tian (Peter Ray), alias Lei Qingtian]

With the help of the two Chinese accomplices, he forged signatures and concealed his true identity and address while going through normal bank formalities, according to the verdict of the Shanghai Intermediate People's Court. Leigh also used credit cards brought in from Hong Kong to buy goods valued at 8,211 yuan in Guangzhou. He personally destroyed incriminating evidence and instigated the two Chinese to do the same, the court added.

Leigh further changed some of the foreign exchange certificates into Hong Kong dollars for smuggling out of China.

He pleaded guilty and did not appeal against the verdict which was handed down in the middle of last month. The two Chinese accomplices, Shen Guoyao of the Weihai packing consignment station in Shanghai and Qian Hong of the Beijing Electric Machinery Research Institute, are now also being tried in connection with the case.

XINHUA ANALYZES NEW GOVERNMENT IN GRENADA

OW051210 Beijing XINHUA in English 1149 GMT 5 Dec 84

["News Analysis: New National Party Wins Grenada's Elections" -- XINHUA Headline]

[Text] St. Georges, December 5 (XINHUA) -- The New National Party of Grenada swept to a lopsided victory in general elections on Monday, an outcome which was attributed the island people's desire for stability after a decade of turbulence and also to U.S. support for the newly-formed party.

The elections were held a year after the U.S. invasion and eight turbulence-charged years since the last election.

After throwing off British colonial rule and winning independence in 1974, the then ruling party, the United Labor Party under Eric Gairy, took some tentative steps toward developing the economy. But toward the end of its five-year term, the party declined because of corruption, human rights abuse and arbitrary rule. It was toppled in 1979 by a coup by the New Jewel Movement under Maurice Bishop. The new regime also took steps to reactivate the economy in the interests of the people, but was deeply divided internally, and was finally ousted by radical military officers. This was followed by the U.S. invasion in 1983 on the pretext that the island was in danger of falling into the hands of the Soviet Union and Cuba.

During the past year, the United States granted tens of millions of U.S. dollars in aid to the country, a sum still far less than its invasion cost. The economy of the country remains in dire straits, the rate of unemployed running at 40 percent, production of banana, cocoa and other basic goods in poor shape, and tourism faring no better. The people on the island had been aspiring for a stable situation and improved livelihood.

Though all the political parties campaigned with slogans of rejuvenating the economy as the primary task facing the country, most voters opted for the New National Party, to the exclusion of the ultra-rightist United Labor Party which won only one seat in the 15-seat Parliament and the recently formed Bishop Patriotic Movement. Most voters did not want to see their country to turn to the Soviet Union, or a return to the former dictatorial rule. They placed their hopes in the New National Party which claimed to be neither left nor right, it had campaigned for quick recovery of the economy and more foreign aid and closer relations with North America, Western Europe, Latin America and with all friendly countries of the world.

The election of the New National Party is what the United States had been hoping for. The U.S. is deeply committed to establish a legal, American-style democracy on the island to erase its image as a aggressor. It did not want to see the United Labor Party of Eric Gairy return to power, for fear that it would lead to a resurgence of leftist revolutions. With the help of the east Caribbean countries which had participated in the U.S. invasion, the New National Party, a coalition of three parties, was formed only three months before the general elections. The United States remains ambiguous about its relations with the newly-formed party, but is widely accepted in the United States and in east Caribbean countries.

Immediately after he was named prime minister, Herbert Blaize announced that he had requested the several hundred U.S. troops to stay on the island until Grenada has a well-equipped, well-trained Armed Force of its own.

Looking ahead, it remains to be seen what the newly-elected government will do for the island country — maintain the status quo or instill a new dynamism.

'CHINA SHIP' NATIONAL FAIR CLOSES IN MEXICO

OW041545 Beijing XINHUA in English 1526 GMT 4 Dec 84

[Text] Acapulco, Mexico, December 3 (XINHUA) -- Mexico's first "China Ship" national fair closed in this port city this evening after some 1 million people visited over 17 days.

In their speeches at the closing ceremony of the fair, the governor of the State of Guerrero and the mayor of Acapulco expressed their gratitude to the participants for their support and cooperation. They also presented each participating country with a wooden replica of a China ship.

The name of the fair, "China Ship," came from the story that at the end of the 16th century, ships from China arrived at this tourist city with a large quantity of porcelain, incense and other commodities. The fair was designed to promote trade and tourism.

The dozen participants to the fair included China, the Philippines, Indonesia, Spain and Peru. China exhibited a host of handicrafts and photos depicting national achievements. The "China Ship" fair will be an annual event in the future.

PLA SUCCESSFUL IN NEGATING CULTURAL REVOLUTION

OW051908 Beijing XINHUA Domestic Service in Chinese 1136 GMT 5 Dec 84

[Text] Beijing, 5 Dec (XINHUA) -- The Office of the Central Commission for Guiding Party Rectification notes: Army units involved in first-stage party rectification have done a good, timely job in carrying out education in thoroughly negating the "Cultural Revolution." The main points of their experience are: 1) They first achieved unity in leadership ideology, removed misgivings, and raised understanding on the need to conduct such education and have confidence in successfully carrying out this education. 2) They made the focal points of education stand out. They emphatically made clear that both factions in the "Cultural Revolution" were totally [zong ti shang 4920 7555 0006] wrong, and that "supporting the left" was tantamount to supporting a faction. They thoroughly abandoned the erroneous viewpoint of the so-called "one faction being correct" and "consistently correct." 3) They closely linked the theory and practice of thoroughly negating the "Cultural Revolution" on the whole with settling the prominent issues in their respective units left over from the "Cultural Revolution" in order to achieve concrete results in the education. 4) They encouraged extensive heart-to-heart talks in the course of education, upheld the principle of relying mainly on elicitation and self-education, and discarded every leftist practice. Such experience is worthy of serious study and use by units involved in first- and second-stage party rectification in every locality.

The purpose of deepening education in thoroughly negating the "Cultural Revolution" is to further overcome the "left" influence and eliminate factionalism ideologically, politically, and organizationally in order to raise the consciousness of the vast numbers of party members and strengthen party discipline and unity. This education is of major, far-reaching significance to comprehensively fulfill the various party rectification tasks and to promote reform and the four modernizations. It is therefore necessary to realize that no unit involved in party rectification can do without such important education, nor is it allowed to conduct such education superficially, or only pay lip service to it. Every unit must carry out the education firmly and seriously. [end of note]

Recently, the All-Army Party Rectification Office summed up the experience of the units involved in first-stage party rectification in conducting education on thoroughly negating the "Great Cultural Revolution." The office held that education is a continuation and development of the drive to eliminate chaos and restore order launched since the 3d Plenary Session of the 11th CPC Central Committee and is of extremely great significance to correcting the "left" ideas, ensuring political unity with the CPC Central Committee, comprehensively accomplishing the party rectification task, and creating a new situation in Army building.

Education in thoroughly negating the "Cultural Revolution" was called for in the course of party rectification. Since the start of the party rectification, how to approach the questions left over from the "Cultural Revolution" has become a generally encountered issue. In the course of studying party rectification documents and linking study with practice, many units revealed the existence of a rather profound "left" influence, which became an obstacle to understanding the CPC Central Committee's line, principles, and policies. The existence of factionalism in particular, interfered in the normal operation of party rectification work. In early April, in view of the serious interference in party rectification by factionalism, leading comrades of the Central Military Commission called for thoroughly negating the "Cultural Revolution," eliminating factionalism, and achieving true ideological unity in line with the "resolution" of the 6th Plenary Session of the 11th CPC Central Committee.

Recently, it was stressed in another meeting that the "Cultural Revolution" was wrong from theory to practice; that on the whole, both of the factions of the "Cultural Revolution" were totally [zong ti shang 4920 7555 0006] wrong, and that "supporting the left" was tantamount to supporting a faction and was therefore wrong, no matter which faction was supported. These important arguments had tremendous ideological impact. In late June, the Central Military Commission decided to assign time to deepen education on thoroughly negating the "Cultural Revolution" and, in accordance with the guidelines of Circular No 9 of the Central Commission for Guiding Party Rectification, took education as an important task in the phase of rectification and correction. Pursuant to the instructions of the CPC Central Committee and the Central Military Commission, various large PLA units have rearranged party rectification work in light of their respective reality and have extensively and profoundly carried out education on thoroughly negating the "Cultural Revolution."

Practice has proved that education on thoroughly negating the "Cultural Revolution" has indeed tackled the key issue in deepening party rectification. It is one of the most fruitful and inspiring campaigns in recent years, which has solved mainly the following questions:

First, the campaign has negated the "Cultural Revolution" from theory to practice, thereby bringing about changes in thinking and feeling toward the "Cultural Revolution." All units have especially stressed the following three points in conducting education: To negate the "Cultural Revolution" in theory, it is necessary to clearly understand that the erroneous views concerning the "Cultural Revolution" run counter to Marxism-Leninism-Mao Zedong Thought and are divorced from reality in China. To negate the "Cultural Revolution" in practice and overcome the grave harm done during its chaotic decade, it is necessary to penetratingly understand the catastrophe it inflicted on the party, the country, and the people in the political, ideological, economic, organizational, cultural, scientific and technological, and military fields. To break with the "Cultural Revolution" in thinking and feeling, it is necessary to review the great achievements from recent years, to further understand the party's line, principles, and policies formulated since the convening of the 3d Plenary Session of the 11th CPC Central Committee, as well as to proceed from China's reality and adhere to scientific socialism in developing Marxism-Leninism-Mao Zedong Thought, thereby fostering a firmer confidence in the correct leadership of the CPC Central Committee. Leading comrades of some military regions said they have made two great leaps forward and emancipations in their thinking since the 3d Plenary Session of the 11th CPC Central Committee was convened: One is the clean break with the "two whatevers" and the other is the negation of the "Cultural Revolution."

Second, the campaign has clarified that the two factions during the "Cultural Revolution" were wrong and has enhanced consciousness to eliminate factionalism. To thoroughly negate the "Cultural Revolution," it is necessary to fundamentally solve the problem of factionalism. Based on the actual situation in each unit and personal experiences during the "Cultural Revolution," participants in education said with deep emotion that they had suffered enough hardships from indulging in factionalism in the past, which in fact, was like "family members drawing swords against each other," and which harmed one's own comrades. They said that such mistakes should never be repeated. Another important achievement is that education has solved, in varying degrees, the problem of favoritism that existed in some units for a long time. This achievement is of great significance to correctly selecting and using cadres.

Third, the campaign has clarified that "supporting the left" was tantamount to supporting factions, and has enhanced people's understanding of the negative consequences of "three supports and two militaries." During the "Cultural Revolution," a large number of comrades in the Army took part in "three supports and two militaries." For a long time, many comrades thought that there were many achievements and few problems. Education on thoroughly negating the "Cultural Revolution" has changed their mentality from thinking that "it was meritorious to support the left" to being fully convinced that "supporting the left" was tantamount to supporting factions. They have generally examined their own problems in connection with "supporting the left." Responsible comrades of major units have, on their own initiative, visited local authorities and modestly solicited opinions from local comrades, and have thus built closer relations between the Army and the government and between the Army and the people.

Fourth, "left" influence has been eliminated and experience and lessons have been summed up. The thorough negation of the "Cultural Revolution" has enabled many comrades to find out the "left" source, see the "left" influence on themselves, and seriously sum up experience and lessons. Quite a few comrades who were targets of criticism and struggle and were once locked up in cowsheds during the "Cultural Revolution" have conscientiously examined themselves with regard to the "left" influence, rather than assuredly regarding themselves as correct. Some young cadres who did not participate in "speaking out freely, airing views freely, holding great debates, and writing big-character posters" have also examined themselves. Some comrades who made mistakes during the "Cultural Revolution" no longer emphasize objective reasons. They have seriously made self-criticism of their problems on their own initiative.

Fifth, education on thoroughly negating the "Cultural Revolution" has further removed the obstacles to sorting out the "three types of persons," and has promoted sorting-out work.

Education on thoroughly negating the "Cultural Revolution" strictly adheres to current policies and repudiates "left" practices. It has enhanced people's theoretical understanding and has purified people's thinking. At the same time, it has solved practical problems and has eased the people's minds. All units have had some good practices and experience, primarily as follows: 1) To unify people's understanding of the thorough negation of the "Cultural Revolution," beginning with the leading cadres; 2) to analyze the mistake of the "theory of continuing the revolution under the dictatorship of the proletariat"; 3) to unify understanding of the major questions left over from the "Cultural Revolution" in their units; 4) to adhere to the principle of stressing self-consciousness and self-education from beginning to end, and; 5) to conduct heart-to-heart talks in various forms.

RENMIN RIBAO EXAMINES USE OF ECONOMIC LEVERS

HK051110 Beijing RENMIN RIBAO in Chinese 3 Dec 84 p 5

[Article by Zhang Chaozun and Lin Wenyi: "How To Make Good Use of Economic Levers"]

[Text] The application of economic levers is an important requirement for successful planned economic management. In recent years we have achieved marked results in the application of economic levers. But in some cases, this has given rise to unexpected problems and has failed to achieve the desired results. What is the reason for this?

An objective reason is that our state-owned enterprises have not yet acted as relatively independent commodity producers and as economic entities that have independent economic interests, conduct independent business accounting, bear sole responsibility for their profits and losses, and exercise corresponding decisionmaking power in their operation and production. As we know when an economic lever comes into play, it will certainly cause some changes in the interests of different producers and operators. It is only because of this function of the economic levers that they are able to stimulate, guide, encourage, or restrict the economic activities of various producers and operators so that a producer or operator may decide to enlarge or reduce the size of his business, or to shift to the handling of other goods. Obviously, if an enterprise is not an economic entity which has independent economic interests, conducts independent business accounting, and bears sole responsibility for its profits and losses, it will not be stimulated, guided, encouraged, or restricted by the economic levers. If the enterprise has no necessary decisionmaking power in its production or operation, it will not be able to take any action even if it has a desire to act. The application of economic levers in planned economic management and enterprises' having independent economic interests and corresponding decisionmaking power are interdependent and mutually conditional. Only when enterprises have independent economic interests and corresponding decisionmaking powers can it be possible to use the economic levers in economic management; conversely, only when economic levers are used in economic management can the enterprises really have independent economic interests and corresponding decisionmaking powers.

Can the enterprises under the whole people ownership system effect all this? Our answer is yes. The means of production and funds used by these enterprises are part of the state's property, so they must assume full economic responsibility to the state and thus must gain profits by offsetting expenses with income. Through the introduction of independent business accounting in the state-owned enterprises which are held responsible for their own profits and losses, an enterprise which operates successfully and can thus earn a larger profit will be able to retain a larger amount of money for its enterprise fund (which is mainly used to improve its production and operation conditions, advance the collective welfare, and increase workers' incomes). (Here, the extra profit due to the better conditions of production means used by an enterprise must all be handed over to the state.) This shows that a state-owned enterprises can have its independent economic interests. With such economic interests and corresponding decision-making power, it will be naturally subject to the regulation of economic levers and will have the initiative to improve its production or operation in order to increase state revenue through paying more taxes.

This practice will not do harm to the consolidation and development of the whole people ownership system; instead, it will only help consolidate and develop this system.

Another reason for the problem is that the unified and open socialist market, including a money market, has not been completely shaped in our country. The application of economic levers in economic management requires a complete set of highly sensitive market mechanisms which can promptly regulate various ratios in the national economy in light of the changing situation. To effect this point, there must be a unified and open socialist market.

As far as subjective problems are concerned, we previously paid more attention to the application of a certain economic lever and neglected the coordinated and comprehensive use of various economic levers. The functions of various economic levers are inter-relative and interconditional, and their relations are quite complicated.

They may act in the same direction, but may also go against each other. A certain economic lever may perform a manifold function; but in the development of a certain economic sector, it is necessary to make a number of economic levers function simultaneously. They should be used in varied ways at different times in order to achieve a desired result. In addition, one economic lever may function more effectively in this economic field, and the other economic lever may have a greater influence in that economic field.

The national economy is a unified organic whole. If things are not well coordinated, we will not be able to handle various complicated relations, and may even cause a confused situation. This means that only by using various economic levers in a well-coordinated and comprehensive way can we ensure that they function harmoniously, rather than conflict with each other and offset the influence of one another, in order to achieve the desired results.

RENMIN RIBAO ON FORESTRY COMMODITY PRODUCTION

HK050909 Beijing RENMIN RIBAO in Chinese 1 Dec 84 p 2

[Commentator's article: "Encourage the Open-Type Production of Forestry Goods -- Fourth Discussion on Accelerating the Pace of Forestry Reform"]

[Text] Invigorating circulation is an important condition for the development of commodity production. Compared with industry and agriculture, the problem of impeded circulation in forestry is even more outstanding. Because of drawbacks inherent in the management system, there is excessive and rigid control over forestry products -- timber in particular. It is impossible for producers to make contact with purchasers and for those who directly manage forests to get real benefits. This has seriously hampered the development of forestry commodity production.

Each link in the whole process of forestry production, including seed collection, sapling cultivation, tree planting, forest management, tree felling, processing, and transportation is indispensable in commodity production. Only by taking the road of open-type, multi-channel, and lesser-link commodity production can we enhance the economic results of forestry. We must acknowledge the role of the law of value in regulating the market in forestry products, including timber, and must have a clear understanding of the feedback role of this kind of market regulation in developing and invigorating the forestry economy. With the reform of the economic structure in our country, the range and percentage of market regulation of forestry products should also be gradually expanded and state monopoly for the purchase and marketing of these products should be reduced. The law of commodity production demands less investment and greater results in various links in forestry. Not only the sales of timber but also sapling cultivation; tree planting; and forestry management should be commercialized. Investment gratis should be abandoned. The use of manpower must yield real benefits and labor which does not yield economic results will seriously dampen the enthusiasm of the masses. How to further relax policies for the processing, transportation and sale of wood and bamboo products; how to reduce unnecessary links; how to remove unnecessary restrictions; and how to prevent unnecessary damage, deterioration, and degrading of products in circulation are problems which need a prompt solution in developing forestry commodity production.

Improving the circulation of forestry products and enhancing the economic results of forestry is a fundamental way to help workers and peasants of wooded areas become well-off.

Only after forestry products have been turned into commodities can labor be turned into currency for maintaining people's subsistence and expanding production. Therefore, both state and collective forestry farms must develop commodity production and enhance their economic results amid competition before they can invigorate themselves and increase individual and collective incomes. As far as peasants in collective forest areas are concerned, commodity production will also benefit them at an early date. Timber and even live trees (chiefly medium and small trees), can be exchanged, purchased, and sold as live commodities in the same way as live poultry and hogs. If the forestry cycle is shortened and the peasants can get profit through planting trees and managing forests, they can become well-off by developing forestry.

The development of forestry commodity production is conducive to forestry management. It is groundless to worry that forestry commercialization will harm forests. "Growing trees is increasing wealth." If the peasants benefit from managing mountains and forests, they will adopt the attitude of masters of their own affairs and not that of someone merely employed; and actively, not passively, and energetically, not inactively plant trees, manage forests, and protect forests. On the contrary, if timber is not allowed to be sold in the market, the peasants are given only the right to plant trees, and are legally forbidden from managing forestry products, they will have no alternative but to secretly fell trees, put fine timber to petty use, and even fell saplings to sell them as faggots. Developing forestry commodity production and legalizing peasants' management of mountains and forests will change this abnormal situation. Of course, since the reform of forestry has just begun, people lack experience in this respect; other factors also exist, and the danger of indiscriminately felling trees remains. This calls for exercising strict control over forests while invigorating the circulation of forestry commodities. Presently, the "Forest Law" has been promulgated and therefore we have a law to follow. As long as we correctly handle the relations between invigorating the economy and managing forests according to the law, and act according to the "Forest Law," we will certainly be able to arouse the peasants' enthusiasm in protecting forests and trees, the mountains will always remain green, and we will always have timber to use.

THREE WEAK LEADERSHIP METHODS CRITICIZED

OW151211 Beijing Domestic Service in Mandarin 1200 GMT 4 Dec 84

[Station commentary: "Leading Cadres Should Improve Their Leadership Method"]

[Text] Today our country is experiencing the current of reform. Rural reform is developing in a deep-going way, and urban reform is just unfolding. Reform accords with the people's aspirations and will definitely succeed. However, reform is not an easy job. New situations and new problems will continue to arise. Leading cadres at all levels who lead the reform must be able to do one important thing in order to create a new situation in reform; namely, they must improve their work and leadership methods.

Some of our leading cadres usually have three weaknesses in their work and leadership methods, which are not commensurate with the needs of modernization and reform. Their first weakness is their lack of understanding of modern science and technology. This is a common phenomenon. Even if they have some knowledge, it is often out-of-date and fragmentary. Few cadres boast of their ignorance nowadays. However, many possess only half-baked knowledge. Some cadres' knowledge is seriously limited and one-sided, resulting in over-simplification and one-sidedness in their work. The CPC Central Committee has called for respecting knowledge.

This call means that we must value knowledge and acquire it. Leading cadres at all levels should regard acquiring knowledge as an important task.

The second weakness in their leadership method is their lack of understanding the actual situation. They are accustomed to old work methods such as receiving briefings and reading materials, and are ignorant of the fact that such old methods are not commensurate with the accelerated social and life rhythm and with the colorful, lively reform practice. They fail to understand the need for and importance of personally going to the first line to find out the facts and resolve the problems. China is such a large country. The situation is constantly changing in every field of reform. If we issue orders blindly without adequate investigation and study, we cannot expect to effectively guide the work, but may fall prey to our ignorance. Leading cadres should assign a considerable amount of time to working at the grassroots level. Only by conducting investigation and study more extensively and deeply can we avoid shallowness and one-sidedness.

The third weakness in leadership methods is their lack of decisiveness. They hesitate and waver whenever they are called upon to make a prompt decision. When they consider an issue, they will study and discuss again and again without a sense of urgency. How can we create a new situation in such a way? There has been no great improvement in the work of a number of units and departments. A major reason is the poor mental state of their leading cadres. This should be seriously changed. Now that we are determined to create a new situation, we should speak up and make a decision whenever we are called upon to do so. We should have a fearless spirit for the sake of our people and country.

LU DINGYI STRESSES PATIENT IDEOLOGICAL EDUCATION

HK051054 Beijing GUANGMING RIBAO in Chinese 26 Nov 84 p 1

[Article by Lu Dingyi, as told to reporters Tao Kai and Zhao Shibao: "Extremely Valuable Experience"]

[Text] In Article 10 of the "Decision of the CPC Central Committee on Reform of the Economic Structure," a passage reads: "We should have faith in comrades who fall behind the developing situation for a time, confident that they will understand things better in the course of reform. In the past 5 years of rural reform, many comrades who had doubts about it have been convinced by the facts and have changed their views. The Central Committee has adhered to the principle of patient education in guiding rural reform, thereby ensuring its smooth progress. This is a valuable experience in solving ideological problems inside the party on the question of major policies, and we should keep to this principle in the future.

It is my hope that theoretical workers will carefully study this experience. There should be a new and sound explanation of the habitually mentioned notion "the struggle on the two fronts."

Over the past few decades I have witnessed the great difficulties under which socialist agriculture has developed and flourished. Take the Soviet Union for example. There, even today, grain production remains at a relatively low level, although many programs and plans have been worked out, huge sums of money invested, numerous struggles launched, and many cadres at and above the ministerial levels replaced, for the purpose of solving the agricultural problems. In our country, as a result of the "Great Leap Forward" and the "Great Cultural Revolution," agricultural production has been a problem "worrying us for a long time."

However, in only 5 years after the 3d Plenary Session of the 11th CPC Central Committee, our country's agricultural production has changed for the better and has developed at an "unexpected" speed.

The "system of contracted responsibility for production with remuneration linked to output" is a great invention. It was not invented by the Central Committee out of nothing but by joining efforts with the peasants after listening to their opinions. It was practiced first in the poor agricultural areas and then in rural areas throughout the country. It was very simple at the beginning and later was improved. "Contracting" was advocated in the past, but was strangled for reasons of being "unorthodox" and "capitalist." The "contract" concept was accepted after the CPC Central Committee advocated "seeking truth from facts." This concept was developed and became the "system of contracted responsibility for production with remuneration linked to output." The great change for the better in agricultural production followed.

I know that responsible persons of some local party organizations have gone through such a course of ideological evolution: In the first year, they held that "contract" meant "capitalism." In the second year, instead of mentioning "capitalism, they said, "you take your road and I will take mine." In the third year, they said, "contracts may be made in poor localities but not in rich localities." In the fourth year, they permitted all rural areas to make contracts. In the fifth year, they were completely convinced, advocated extensive use of contracts, and criticized themselves for being late in seeing the point. These comrades fell behind the developing situation at first. They were, however, convinced by the facts and changed their views.

What is especially noteworthy is that such a great change was not effected by waging a violent "struggle" with swords drawn. In the past 5 years, the party did not denounce or take strong measures against a single cadre involved with agricultural reform problems. "Patient education" took the place of "struggle between the lines," or we may say, ideological struggle was carried out by the method of patient education. This has been proved successful. This is a new thing. That is where our valuable experience lies. Major problems may be solved without attaching a political label on someone. Hasn't this proved to be true by the facts? Those who think of themselves as "the only revolutionaries" and hold that "problems cannot be solved without waging the two-line struggle" should think deeply about this.

The aim of party rectification is to consolidate the party so that it has faith in the cadres, its members, and the masses. It should have faith in the peasants, and be confident that they are no longer "petty bourgeoisie" but are new peasants in favor of socialism. The intellectuals are no longer "bourgeois intellectuals" and "the stinking ninth category" but are patriotic mental workers in favor of socialism. They are neither "enemies" nor "aliens." There is every reason to rely on them and no reason to discriminate against them and reject their opinions. Their opinions may be imperfect, but it is impossible for every opinion to be perfect. The party and government may choose and follow the good opinions. As long as "one says all one knows and says it without reserve," our country will have inexhaustible vitality.

YU QIULI ADDRESSES PLA POLITICAL WORK MEETING

CW051005 Beijing XINHUA Domestic Service in Chinese 1138 GMT 4 Dec 84

[By RENMIN RIBAO reporter Luo Tongsong and XINHUA reporter Zhao Su]

[Text] Beijing, 4 Dec (XINHUA) -- Yu Qiuli, deputy secretary general of the Central Military Commission and director of the PLA General Political Department, spoke at an all-Army meeting of representatives of outstanding political instructors and teachers on 3 December. He pointed out: Under the new situation arising from the restructuring of the national economy, the Army's political work must undergo a series of reforms in order to better serve the needs for raising the Army's combat capability and building the four modernizations.

He said: The results of political education reflect mainly on whether or not it can effectively solve ideological problems by integrating theory with practice. Since the convening of the 3d Plenary Session of the 11th CPC Central Committee, the central authorities have proposed a series of theories concerning scientific socialism and formulated a new line and a number of new principles and policies, which have brought about a gratifying situation in political and economic life throughout the country. The CPC Central Committee's style of integrating theory with practice is an paragon for conducting political work in the Army. Under the new situation, the content, method, and measures of the Army's political work must undergo reforms. It must ensure the implementation of the party's line, principles, and policies, and the Military Commission's plans during various periods as well as guarantee the fulfillment of the Army's various tasks. The Army's political workers must be capable of organizing the training and commanding the fighting and be well versed in several subjects of military technology. They must be at once political work personnel and military commanders. By being more versatile, the Army's political workers can better cooperate with the military commanders and carry out more lively and effective political work.

Yu Qiuli said: In reforming political education, it is necessary to revive and carry forward the work style of seeking truth from facts. At present, the writing classes of a few units have been writing reports and other documents especially to deal with higher authorities. This is an unhealthy practice. Flowery writings for incorrect policies or work improperly done are nothing but humbug. These units should do away with the unhealthy practice of deceiving their superiors and deluding their subordinates and reporting only the good news but not the bad and should keep up the fine tradition of seeking truth from facts.

Yu Qiuli said: The current political education in the Army is to enable all army men to thoroughly study the decision adopted by the 3d Plenary Session of the 12th CPC Central Committee on economic structure reform. In view of the fact that comrades in the Army are relatively unfamiliar with the economic work, greater efforts should be made to repeatedly and penetratingly study the decision so that all Army officers and soldiers can understand the importance of economic structure reform and conscientiously and creatively implement the CPC Central Committee's decision.

DENG YINGCHAO VISITS PLA COMPANY IN FUJIAN

OW021115 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 1 Dec 84

[Text] On the morning of 27 November, Comrade Deng Yingchao, member of the CPC Central Committee Political Bureau and chairman of the CPPCC National Committee, visited the good 8th Company in Gulangyu and met all the commanders and fighters of the company. She was accompanied by Fu Kuiqing, political commissar of the Fuzhou Military Region; Xiang Nan, first secretary of the Fujian Provincial CPC Committee; and Lu Zifen, secretary of the Xiamen City CPC Committee.

Comrade Deng Yingchao told the comrades of the 8th company: You have simultaneously promoted the spiritual and material civilizations. This is in the best PLA tradition. I hope you will hand down the 8th company's good work style and traditions from generation to generation.

Comrade Deng Yingchao also had a group photo taken with the commanders and fighters to mark the occasion.

LI PENG, BO YIBO AT FOREIGN TRADE MEETING

Beijing XINHUA Domestic Service in Chinese 1425 GMT 4 Dec 84

[By XINHUA reporter Zhang Xijun and RENMIN RIBAO reporter Liu Xiao]

[Text] Beijing, 4 Dec (XINHUA) -- At a meeting held by the Ministry of Foreign Economic Relations and Trade to exchange experience in foreign trade management, which ended today, more than 170 units and individuals of the economic and trade front received awards for their good work.

Vice Premier Li Peng and Vice Chairman Bo Yibo of the Central Advisory Commission attended and spoke at the meeting. On behalf of the State Council, Li Peng extended warm greetings to them and pointed out that they face glorious and arduous tasks in the drive to open to the outside world and carry out structural reform.

Li Peng said: The economic and trade departments are in the forefront of the drive to open to the outside world. Through foreign trade, advanced foreign technology, equipment, and raw materials urgently needed in China's construction can be imported, the export of industrial and agricultural products can be promoted, and more foreign exchange can be earned by the state.

Li Peng pointed out: The foreign trade departments have taken the first encouraging steps toward structural reform. The core of structural reform is to separate government administration from industrial management. The economic and trade departments still must do much arduous work, truly separate government administration from industrial management, and delegate authority and power to various enterprises. The separation must not be a mere formality. The economic and trade departments are primarily responsible for making principles and policies and for overall coordination.

Comrade Li Peng especially pointed out that economic and trade departments should eliminate bureaucratic ways of doing things, serve industrial enterprises and the local people in various fields, help promote production, and do a good job in being foreign trade agents.

Comrade Bo Yibo encouraged economic and trade department comrades to achieve even greater progress next year.

BO YIBO AT ELECTRONICS JOURNAL INAUGURATION

OW052204 Beijing XINHUA Domestic Service in Chinese 1306 GMT 4 Dec 84

[Excerpts] Beijing, 4 Dec (XINHUA) -- Zhang Xuedong, vice minister of the Ministry of Electronics Industry, said today: China's electronics industry has made good achievements this year. It is estimated that both the total output value and profits in 1984 will be double those of 1980.

Several hundred guests from various circles attending the inauguration of ZHONGGUO DIANZI BAO [CHINA ELECTRONICS NEWS] set a very high value on his report. Comrade Bo Yibo was present at the inauguration. He pointed out in his speech that the electronics industry has made great achievements, but that it should go a step further. ZHONGGUO DIANZI BAO is a weekly newspaper which will begin circulation in China on New Year's Day 1985.

I. 6 Dec 84

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CHINA
PRC NATIONAL AFFAIRS

HU QIAOMU SHAKESPEARE SOCIETY HONORARY HEAD

OW051317 Shanghai City Service in Mandarin 2300 GMT 4 Dec 84

[Text] The China Shakespeare Research Society elected council members on the morning of 4 December. Hu Qiaomu and Cao Yu were respectively elected as honorary president and president of the society, while Ba Jin and (Chen Gongming), president of the Shanghai Theatrical College, were respectively elected honorary chairman and chairman of the board of directors of the Foundation Committee for the China Shakespeare Research Society.

Meanwhile an editorial department for the society was also formed. The editorial staff includes Cao Yu and eight other members.

CONFERENCE NOTES BENEFITS OF ECONOMIC REFORM

OW052100 Beijing XINHUA in English 1144 GMT 5 Dec 84

[Text] Beijing, December 5 (XINHUA) -- Economic reform will greatly change life style and thinking, a national conference on economy-led changes agreed, the BEIJING DAILY reports today.

Over 60 economists, sociologists, philosophers, moralists and women affairs experts attended. Changes envisaged were:

- greater attention to efficiency;
- a more varied life;
- more fashionable clothes;
- less saving and more consumption;
- hard work and hard play; and
- socialization of household chores will make women freer.

Economist Yu Guangyuan said that expert guidance was urgent with China's developing economy and more affluent people.

SECOND STAGE TAX REFORM MAKING GOOD PROGRESS

OW051335 Beijing XINHUA Domestic Service in Chinese 0834 GMT 4 Dec 84

[Text] Beijing, 4 Dec (XINHUA) -- At the national financial work meeting today, Jin Xin, director of the General Taxation Bureau under the Ministry of Finance, declared that second-stage reform to replace profit delivery with tax payments has unfolded nationwide and is making good progress.

Jin Xin said: Following the issuance of state regulations governing the second-stage reform to replace profit delivery with tax payments, most localities formulated specific measures for implementation as well as additional rules in light of their actual conditions. After completing the overall preparatory work, they started to collect excise, value-added, and business taxes in accordance with the new taxation law on 1 October.

He said: The commencement of second-stage reform to replace profit delivery with tax payments marked the end of China's long-standing unitary and oversimplified taxation system, which could not suit the nation's economic development. It also helped establish a new taxation system that was basically suitable for China's economic development, and was favorable to utilizing tax revenues for economic leverage to promote production and increase financial resources.

Jin Xin emphatically said: The regulations governing second-stage reform to replace profit delivery with tax payments were formulated with the overall interests of the national economy in mind.

The actual conditions of all localities and departments had been taken into due account within the framework of state financial resources. Therefore, all localities and departments should implement the regulations.

DEMAND FOR CONSUMER DURABLES KEEPS GROWING

OW030926 Beijing XINHUA in English 0855 GMT 3 Dec 84

[Text] Beijing, December 3 (XINHUA) -- Consumer durables will continue to be in high demand in the next few years, according to a recent survey conducted by the Ministry of Commerce.

The survey shows that there is still a big market for bicycles, sewing machines, radios and wrist watches, the "old four popular items", and greater demand is indicated for televisions, washing machines, radio-cassette recorders, refrigerators, electric fans and scooters, the "new six popular items".

The survey was conducted among 3,300 families in 18 provinces, municipalities and autonomous regions, whose per capita income is above 60 yuan a month in urban areas and above 500 yuan a year in rural areas. People surveyed in urban areas all want to replace their old consumer durables with new brands. In rural areas, demand for the "old four popular items" is still great, while interest in the "new six popular items" is growing rapidly.

A meeting in Guangzhou showed that 1985 demand for refrigerators in China would exceed five million, ten times the demand this year. The Guangzhou refrigerator company alone has received orders from 1,100 people from 900 units. A supply agent from Karamay in Xinjiang said that 70 percent of the city's 40,000 families want to buy refrigerators, but only three percent of families have them. A peasant dealer from Nanhai County, Guangdong Province, wanted to place orders for 6,000. Even in cold northwest, northeast and north China, demand for refrigerators has soared.

A spokesman for the Ministry of Commerce said that the output of refrigerators had increased at an average annual rate of over 90 percent in the past three years. More than 380,000 units were produced in the first ten months of this year, up 160 percent from the same period of last year. Output is expected to exceed 400,000 by the end of the year. The first-ten-month output of color televisions increased 160 percent to 941,900 units; washing machines, up 50.7 percent to more than 4.5 million; and electric fans, up 66 percent to more than 14.3 million.

There is a long way to go to beat the demand, the ministry officials said.

MORE MARKET TOWNS ESTABLISHED IN RURAL AREAS

OW050641 Beijing XINHUA Domestic Service in Chinese 0037 GMT 4 Dec 84

[By reporter Li Jinting]

[Excerpts] Beijing, 4 Dec (XINHUA) -- In the wake of vigorous commodity economy development in the rural areas, more market towns have emerged throughout the country as a means of linking the rural areas with the cities.

According to a statistical report by a related department, China had 5,698 organizational market towns in the early part of this year, exceeding anything since national liberation. It is estimated that, by the end of this year, the total number of organizational market towns may reach 10,000.

The formation of market towns in our country's rural areas has a history of more than 2,000 years. In the past, due to economic backwardness, the number of market towns in the rural areas was not very large, and their distribution was uneven. At the time of national liberation in 1949, there were less than 2,000 market towns with an organizational structure. After national liberation, as a correlation to the development of economic construction, the number of organizational market towns under counties and districts greatly increased. However, since the later part of the 1950's, rural market towns have been on the decline, because of the implementation of the policy of taking grain as the key link, practicing a single-product economy, and eliminating commodity production. In particular, during the 10 years of disorder, the development of market towns was influenced by erroneous slogans and methods, such as the so-called "We have two hands and must not lead an idle life in towns," and "Shut down trade fairs, outlaw individual businessmen." Market towns were considered obstacles to agricultural development, were dissolved in many places, and the building of market towns was stopped.

Following the convocation of the 3d Plenary Session of the 11th CPC Central Committee, commodity economy has developed rapidly in the rural areas, and people have begun to realize the role of market town as a bridge, linking the cities and countryside. Particularly, since the distribution of the No 1 Document of the party Central Committee this year, township enterprises are concentrating in market towns, and peasants, who can leave the countryside have started to engage in industrial or commercial work in market towns. As a result, the building of market towns is reaching a new development stage. In 6 months, more than 2,900 organizational market towns have been established throughout the country.

Practice has shown us that the development of market towns is the result of the development of commodity production in the rural areas, and market towns will play a great role in promoting and speeding up economic construction in both urban and rural areas.

GUIZHOU HOSTS FORUM ON PARTY RECRUITING

HK050519 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 3 Dec 84

[Text] From 29 November to 3 December, the CPC Central Committee Organization Department held a forum in Guiyang attended by responsible comrades of the organization departments of CPC Committees of 14 provinces and autonomous regions in southwest, northwest, and central-south China, on recruiting party members from among intellectuals.

At the forum, (Tao Zhi), deputy director of the CPC Central Committee Organization Department, made a work report, entitled: "Seriously implement the spirit of the 3d Plenary Session of the 12th CPC Central Committee and step up the recruitment of party members from among intellectuals."

At the forum, comrades of the organization departments of CPC Committees of seven provinces -- Sichuan, Hunan, Henan, Guangdong, Gansu, Shaanxi, and Guizhou -- exchanged their experiences in recruiting party members from among intellectuals.

The forum held: Since the 3d Plenary Session of the 11th CPC Central Committee, party organizations in all places have attached more and more importance to the recruitment of party members from among intellectuals.

The number of intellectuals among the new party members has been on the increase year by year. The quality of the new party members is also good. However, the problem of outstanding intellectuals' difficulties in joining the party has not been completely solved. Leftist ideology in some places and units and in the minds of some party members and party cadres has not been completely eliminated. Their prejudice against intellectuals has also not been thoroughly eliminated. They lack a correct understanding of intellectuals' role and functions in the four modernizations. A fairly large number of intellectuals who have applied for party membership for many years, and who are eligible for party membership, are still shut out of the party. Therefore, party organizations at all levels must pay a high degree of attention to this and must seriously solve this problem.

The forum pointed out: At present, it is not only necessary but also proper to absorb a large number of outstanding intellectuals into the party. Since the founding of the country, we have trained some 11 million graduates of universities and secondary vocational schools and a large number of comrades have acquired the cultural level of universities and colleges after industrious self-study. They are the nucleus on all fronts at present and in certain period in the future. Even some veteran intellectuals have stood a long-term test and the majority of them have done well. Now, the focus of party work has shifted to economic construction. Apart from the necessity of enhancing existing party members' level of scientific, technological, and management knowledge, a very urgent task is to promptly absorb into the party those intellectuals who are eligible for party membership so that our party will have a sufficient number of party members to master the knowledge of natural and social sciences, to direct and promote progress in science and technology, and to absorb the most modern contemporary scientific achievements. Thus, reform of the economic structure can smoothly progress. This is a task of strategic significance in the course of party building in the new period.

The forum emphatically pointed out: The focus of recruiting party members from among intellectuals is to recruit party members from middle-aged and young outstanding intellectuals. They are the generation which carries forward the revolutionary cause pioneered by our predecessors and forges ahead into the future. This generation will play its part not only before the year 2000 but also in the 21st century. Therefore, we must attach importance to the recruitment of party members from among them.

The forum also demanded: Party members should be recruited from among postgraduates, undergraduates, and students of secondary vocational schools. We must also pay attention to strengthening education in basic party knowledge for senior middle school students and must do well in grasping fundamental work. School party organizations must attach importance to give play to the role of the CYL as an assistant.

The forum also demanded: Attention must be paid to speeding up the recruitment of party members from intellectuals who are returned Overseas Chinese and family members of Overseas Chinese. It is necessary to continue to do well in recruiting party members from advanced young people and in the frontline of all trades and professions. It is essential to pay attention to recruiting party members from among women and nationalities.

In conclusion, the forum emphatically pointed out that in recruiting party members, it is imperative to adhere to the standard of a party member to ensure the quality of a new party member. All places must do meticulous ideological and organizational work and must really step up the recruitment of party members from among intellectuals.

GUANGDONG HOSTS NATIONAL PLANT MANAGER MEETING

HK010552 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 1 Dec 84

[Text] The first annual meeting of the Chinese Plant Managers Work Research Association opened in Guangzhou yesterday. Hao Jianxiu, alternate secretary of the CPC Central

Committee Secretariat and honorary chairman of the association, stressed at the meeting: Managers and directors must shoulder heavy burdens in the great practice of reform, and pioneer a Chinese-style path for running socialist enterprises.

In view of the current lack of boldness for reform that exists in varying degrees among certain enterprises, Hao Jianxiu stressed: Plant managers must take a firm and clear-cut stand in grasping and using their powers during the reforms. As far as the upper-level leadership organs are concerned, invigorating the enterprises means truly delegating enterprises decisionmaking powers to the enterprises. As far as the enterprises are concerned, the enterprises must succeed in this effort themselves.

Hao Jianxiu pointed out: To use their powers well, the plant managers must handle properly their relationships with the party committees, with the workers' congresses, and with the state, and the relationship between the workers' short-term and long-term interests. The workers must receive tangible benefits; this, however, must not damage the interests of the state and the consumers.

6 CITIES TO EXCHANGE REFORM INFORMATION

HK050257 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 4 Dec 84

[Text] In order to strengthen horizontal economic ties and promote the development in the depth of reforms of the economic structure, Chongqing, Wuhan, Shenyang, Nanjing, Harbin, and Xian Cities reached an agreement on 20 November on strengthening mutual liaison.

These six cities have been approved by the State Council as pilot projects for comprehensive reform of the economic structure.

The main contents of the information to be exchanged as stipulated in the agreement are: 1) The situation in economic development in each city; 2) schemes and provisions for reforms of the structure; 3) schemes, policies, and experiences in guiding and promoting coordinating the enterprises along specialized lines, reorganization of enterprises, establishment of joint undertakings, technological progress, and management modernization; 4) technological and economic information, and other information which it is necessary to exchange.

The agreement also makes specific provisions regarding future liaison forms, periodic liaison meetings, and the establishment of permanent liaison channels. Chongqing City will host the first liaison meeting early in the new year.

DALIAN OIL TERMINAL TOPS OIL-HANDLING CEILING

OW041048 Beijing XINHUA in English 1039 GMT 4 Dec 84

[Text] Dalian, December 4 (XINHUA) -- The Dalian new harbor, China's largest deep-water oil terminal, handled 15.1 million tons of crude oil in the first 11 months of this year, for the first time topping the designed annual handling capacity of 15 million tons. The new harbor received 2,270 tankers of over 10,000-ton class from 13 countries and regions since 1976 when the new harbor went into operation.

Oil export has increased greatly this year. The foreign oil tankers calling at the harbor extraneous to the original plans accounted for one-third of the total. But thanks to improvement in management and more oil handling facilities, the tankers' average waiting time at the harbor was cut from 2.2 days to 1.7.

WANG YUZHAO ON ANHUI LEGAL SYSTEM PROPAGANDA

OW051153 Hefei Anhui Provincial Service in Mandarin 1100 GMT 3 Dec 84

[Radio and television talk by Wang Yuzhao, deputy secretary of the Anhui Provincial CPC Committee and provincial governor: "Extensively and Thoroughly Carry Out the Legal System Propaganda Month Activities Focused on the Constitution" -- recorded]

[Excerpts] Dear Comrades, the provincial CPC Committee has decided that legal system propaganda month activities be held throughout the province in December. The activities have already begun.

The beginning of the legal system propaganda month coincides with the second anniversary of the promulgation of China's new Constitution. In order to mark this event of great historical significance and ensure success in the legal system propaganda month activities in our province, I would like to talk about the question of conducting propaganda and education on the legal system with the emphasis on the important task of publicizing the new Constitution.

The purpose of the legal system propaganda month activities is to extensively and thoroughly popularize legal knowledge among the people in the province so that everyone will earnestly study state law; understand, apply and abide by the law; and act according to the law in all matters.

During the legal system propaganda month activities, it is necessary to emphasize publicizing the new Constitution. In the past 2 years since the new Constitution was promulgated for implementation, the people in our province have studied and implemented it and other laws, thereby creating an atmosphere conducive to socialist construction in our province, bringing about a marked improvement in public security and social practice, and accelerating the development of material and spiritual civilizations in the province.

To ensure success in the legal system propaganda month activities, the first thing is for all party members and cadres, leading party and government cadres in particular, to take the lead in studying, publicizing, and resolutely implementing the constitution and laws, consciously struggle against lawbreakers, act according to the law, and understand the essence of the laws and of the propaganda and education on the legal system.

Second, it is necessary to mobilize the strength of all quarters in the society, including the Propaganda, Political and Law, Literary and Art Departments; the trade union; the CYL organizations; women's federations; as well as the press, the radio, and TV stations. All kinds of propaganda tools and different approaches should be used to disseminate legal knowledge among the people to educate them. Propaganda and education should be carried out enthusiastically and realistically to achieve marked results in the propaganda month activities.

Next, it is necessary to work in close coordination with the struggle to deal severe blows to serious criminal offenders, implement the principle of meting out severe and quick punishments, and use the law as a weapon to strike at criminal offenders who severely endanger public security. Meanwhile, it is also necessary to take advantage of the propaganda month to do well the work of popularizing legal knowledge.

Last, comrades in charge of propaganda and education work as well as political and legal affairs in party committees at all levels should strengthen leadership over the legal system propaganda month activities, conduct inspections, and exercise supervision over these activities.

Standing committees of local people's congresses should play their parts and conscientiously supervise the propaganda, education and implementation of the Constitution and the laws. Judicial and administrative organs should act as advisers to ensure the success of the legal system propaganda month activities.

At present the entire province is thoroughly implementing the guidelines of the 3d Plenary Session of the 12th CPC Central Committee. To bring about a fundamental improvement in public security and social practice and ensure smooth progress of economic reforms, let us earnestly study and implement the new Constitution, ensure the success of the legal system propaganda month activities, and whip up an upsurge in extensively, thoroughly, and steadily publicizing the legal system in urban and rural areas throughout the province.

Speaks on Economic Cooperation

OW060123 Hefei Anhui Provincial Service in Chinese 1100 GMT 4 Dec 84

[Excerpts] Governor Wang Yuzhao made an important speech on 30 November at the provincial meeting on economic and technological cooperation.

In his speech, Wang Yuzhao first affirmed Anhui's achievements in its economic and technological cooperation work in the past 2 years. He said that, currently our province has established such cooperation ties with more than 20 provinces, municipalities, and autonomous regions, and reached agreements with them on 529 joint projects, covering the coal, building material, light, metallurgical, textile, machinery, food, and garment industries. Construction funds brought from outside the province total over 780 million yuan.

Some people think that promoting economic and technological cooperation is devious, negates the state plan, and commits all kinds of outrages. Some people feel that cooperating with others in exploitation projects is to sell out our own resources. There are still others who, while themselves incapable of establishing outside contacts and bringing in funds or technologies, making do with what they have, would become envious, or make sarcastic comments, when they see others buzzing with cooperation activities. They would even go so far as to pull out the rug from under others' feet, pin labels on them, and so on. Serious efforts must be made to completely correct all these mistaken and muddle-headed ideas and actions, and be in ideological unity with the spirit of the Decision of the CPC Central Committee on Reform of the Economic Structure. This is a matter of great importance to our being in unity with the party Central Committee.

In order to deal with our province's shortage of funds and skilled hands, and backwardness in technology and equipment, it is necessary to open our doors wide to find a way out of these problems, through economic and technological cooperation. We must welcome others to open mines and factories in our province. We welcome anyone who offers to run a joint venture, start a project with their own investment, or provide technology. There should be economic and technological cooperation with both local and foreign, urban and rural partners, large and small, village and town enterprises.

Responsible comrades of all prefectures and cities should make at least one trip outside of the province each year to hold talks in the fraternal provinces and cities on joint ventures, making sure you are well prepared, and knowing what you want to achieve.

In conclusion, Wang Yuzhao said: At the same time, all prefectures, cities, and departments should adopt necessary rules and regulations for preferential treatment. The first is preferential treatment regarding conditions for investment. All investors, who come to our province for exploitation projects, be they collective, joint or single-investor ventures, or compensatory trade ventures, should be entitled to such treatment.

Their projects should all be included as key projects in the plans of respective localities. For these investors, we should actively provide the construction site, labor services, resources, building materials, and construction forces needed. We should also make their life here easier. The purpose is to create a good investment environment. The second is preferential treatment with respect to credits and loans. In the case of any major project of collective or joint investments, whose products or technologies are urgently needed in our province and whose economic results will be very good, our banks should give priority in arranging a loan to the project, if the investments made fall short of the amount required. The banks should also offer appropriately favorable conditions concerning interests. Provided ventures are mutually beneficial and reciprocal, an appropriately favorable share of the profits may be offered outside investors. The percentage of profit shared may be higher than the percentage of investment he has put in. The fourth is preferential treatment in the distribution of products. In the case of compensatory trade projects, if the outside partners have the need, and we are in the position to satisfy the need, we should also give proper priority, as far as possible, to considering their requests regarding the quantities of compensatory products to be turned over to them, as well as the time limit for delivery of such products. The fifth is preferential treatment regarding qualified personnel and technologies brought into our province. Specialists of various professions, who come voluntarily to our province to take part in our economic construction, will be offered favorable pay. In some cases, (piece rate) wages may be offered. Favorable housing and arrangements for children will also be offered. Those who have made extraordinary contributions will be offered large rewards. With respect to those who render technological or intellectual assistance to our province in other ways, they will all be warmly welcomed, given attentive and satisfactory service, and offered good rewards.

LIANG ON SHANGDONG ECONOMIC DEVELOPMENT PLANS

HK040515 Beijing CHINA DAILY in English 4 Dec 84 p 4

[From WORLD ECONOMIC HERALD]

[Text] The Yellow River Delta in Shandong Province will become the second largest Daqing Oilfield by 1989. By the turn of the century, crude oil production will reach 100 million tons, and a large-scale petrochemical complex will be set up.

These moves were announced recently by Liang Buting, governor of the province, before a group of Chinese and foreign reporters. Shandong is China's third-most populous province. But financially it has been poor and this year it went into the red by 150 million yuan. It suffers an annual coal shortage of nearly 5 million tons and needs more than 3 billion extra kWh of electricity. As a result, more than 20 percent of its production capacity is being wasted, and 800 new enterprises are lying idle.

The province set up an economic and social development strategy research committee last summer. A series of assembly, processing and service enterprises will be started surrounding a dozen other key State projects to be set up in Shangong. Foreign capital will also be utilized.

The plan under consideration entails building a composite economic region in the Yellow River Delta -- with Dongying Municipality as the centre -- and a peninsular economic region comprising Qingdao, Yantai and Weifang, centering on foreign trade. Shandong was the first province visited by Secretary-General Hu Yaobang after the Party's 3rd Plenum in October this year. He believes that it is one of the provinces that can lead in the reform. He stressed the importance of Qingdao in the open policy.

State Councillor Gu Mu has also investigated the province. He proposed that Qingdao should emulate Dalian, and speedily implement reforms. Qingdao is the province's economic, cultural, scientific and technological centre. It is also likely to become a communications centre. Together with Yantai in the north, Qingdao will form an ideal bridge to introduce foreign capital and advanced technology and gradually to penetrate international markets.

The managements of most provincial enterprises and all commercial enterprises have been shifted to municipal level. Contract responsibility systems have been introduced in 96 percent of the municipal industrial enterprises and more than 80 percent of the commercial ones. One hundred state service enterprises have become collective ones. Mandatory planned products have been reduced to 15 kinds, and 56 types of manufactured goods are being sold at floating and market prices.

Political administrative demarcations have given way to economic regional management. The district of Yantai, Weifang, and part of Linyi, with Qingdao at the centre, has become the first economic and technical collaboration region. An economic collaboration region of seven cities and districts with Jinan Municipality as the centre has been formed.

The reform of Shandong Province is characteristic on three accounts:

First, it started the reform with a publicity campaign. An expensive Chinese-English bi-lingual "red booklet" entitled Synopsis of Foreign Economic and Technological Co-Operation Projects of Shandong Province has been widely distributed. The British FINANCIAL TIMES used six pages to describe the natural resources and favourable investment conditions of the province.

Secondly, the technical reforms of the old enterprises received great attention. By 1990, it is estimated that 850 million will have been spent on raising more than a third of the old enterprises in Qingdao and Yantai to the international level of the 80s.

Thirdly, the two economic and technical development regions are to be started simultaneously. The State Council has already ratified the planned development programme of Fulaishan development district in Yantai, and the Huangdao Isle development district in Qingdao.

GUANGXI CONFERENCE ON FAMILY PLANNING MONTH

HK060120 Nanning Guangxi Regional Service in Mandarin 1130 GMT 4 Dec 84

[Excerpts] Last night the regional CPC Committee and the regional People's Government held a telephone conference on arranging propaganda work for the region's family planning month to be carried out in December.

The conference stressed: To do well in family planning work is to act in the spirit of the 3d Plenary Session of the 12th CPC Central Committee and is an important measure for enabling the region to become rich and powerful and to generally improve the people's living standards. CPC Committees and governments at various levels must regard family planning work as having the same importance as economic work. While doing well in economic work, we must grasp family planning work firmly and well.

Wang Rongzhen, deputy chairman of the regional People's Government, made a speech at the conference. The conference pointed out that the region has made some achievements in family planning work. However, the present population growth of the region is still rather rapid. The rates of birth, natural growth, and families having additional children are above the national average. If we do not put an end to this situation at an early date, the region's economic development will be affected and the difference between the region and the state will widen. Therefore, it is an important task of the region's people to control population growth; and it is absolutely necessary that the regional CPC Committee and the regional People's Government decided to launch a family planning propaganda campaign in December throughout the region. CPC committees and governments at various levels must attach great importance to this campaign, strengthen their leadership, and adopt effective measures to grasp this campaign firmly and well.

In this campaign all localities should place the focus on both the rural and urban areas and let the urban areas lead the rural ones. It is recommended that women who have one child and are of child-bearing age should use a cervical cap. One partner of a couple having two children who is still of child-bearing age should undergo a ligation operation. Women who are bearing additional babies should be given remedial measures. The region should commend appropriately the units at and above the county level which have made outstanding achievements during the campaign. The region must send competent cadres to units which have implemented the work superficially so as to strengthen the leadership and organize them to make up for the work. Through this campaign, we must make a turn for the better in the work of controlling the region's population growth.

GUANGXI RIBAO CELEBRATES 35TH ANNIVERSARY

HK050927 Nanning Guangxi Regional Service in Mandarin 1130 GMT 4 Dec 84

[Excerpts] Yesterday afternoon, GUANGXI RIBAO held a meeting at Guangxi Military Region's hall to celebrate the 35th anniversary of the founding of the newspaper. The region's leading comrades and both old and new journalists, totaling about 1,000 people, attended the meeting. Wei Chunshu, deputy secretary of the regional CPC Committee and chairman of the regional People's Government; Chen Huiguang, deputy secretary of the regional CPC Committee and secretary of Nanning City CPC Committee; Huang Rong, chairman of the regional People's Congress Standing Committee; and other regional leaders also attended.

Comrade Wei Chunshu spoke at the meeting, while (Zhong Jiasuo), secretary general of the regional CPC Committee, read out the congratulatory letter from the regional CPC Committee to the staff of GUANGXI RIBAO. Also present were responsible comrades of the regional CPC Committee Propaganda Department, as well as comrades from the central organizations stationed in the region's and in Nanning's journalistic, broadcasting, publications, posts and telecommunications units.

The meeting was presided over by (Zhou Zhongren), deputy editor in chief of GUANGXI RIBAO. On behalf of the editorial committee of the newspaper, he expressed heartfelt thanks to the participating comrades. Amid warm applause, Comrade Wei Chunshu delivered a speech on behalf of the regional CPC Committee. He affirmed the achievements made by GUANGXI RIBAO since its founding in propagating Marxism-Leninism-Mao Zedong Thought; the party's line, principles, and policies; and socialist construction. In addition, he put forward suggestions on further operating the party's newspaper well. He hoped that GUANGXI RIBAO would have its feet firmly planted in the region and would keep the country as a whole in view; and would become a modern newspaper with local characteristics.

Later, Huang Geng, editor in chief of the newspaper, made a speech on the newspaper. He said: GUANGXI RIBAO was founded in Guilin City on 3 December 1949. There were only 100-odd workers at that time and the equipment was very backward. The circulation was less than 2,000. After liberation of Nanning, the newspaper moved to the city on 22 January 1950, and the number of workers was still very low. Thirty-five years later, however, the cadres and workers of the newspaper total more than 500 people; and both equipment and working conditions have been greatly improved. Circulation has been increased to over 420,000. In addition, it publishes six newspapers for Beijing and Guangzhou newspaper companies, as well as the region's journals. Our business has been greatly developed.

Comrade Huang Geng said: Over the past 35 years, we have experienced the stages of starting and developing a business; both success and failure; both the period of disorder and the period of bringing order out of chaos; and so on. Both the positive and negative experiences have made deep impressions on us. Judging from the experience of GUANGXI RIBAO, we can further affirm that we should uphold the party spirit and principles when carrying out journalistic work. We must also uphold the ideological line of dialectical materialism, and the work style of constantly maintaining close contacts with the masses. We must also uphold the practice of the newspaper being run by the people and the party, as well as mobilizing, organizing, and training thousands of thousands of correspondents to join our team. We must form a contingent of journalistic undertaking. We must also respect the work of intellectuals.

Comrade (Zhong Jimin), former editor in chief of GUANGXI RIBAO and chairman of both the regional journalists' association and the regional association of journalism, gave congratulations on the occasion on behalf of the veteran journalists. The regional branches of XINHUA NEWS AGENCY and ZHONGGUO XINWEN SHE presented banners to the meeting. In addition, the newspaper held last night a movie party at the regional exhibition hall to receive all participating comrades.

GUANGXI PEASANTS SET UP ENTERPRISE IN NANNING

OW050835 Beijing XINHUA Domestic Service in Chinese 1415 GMT 3 Dec 84

[By reporter Long Guangxiong]

[Excerpts] Nanning, 3 Dec (XINHUA) -- "Longgang Industrial Development Headquarters," the first industrial company established by peasants in Nanning City, opened for business on 3 December.

This company was established by peasants of Longgang Village of Pumiao Township, Yongning County, Guangxi Province. Comrade Hu Yaobang, during his inspection tour of this village during this year's Spring Festival, inquired about the situation in local production and development and encouraged peasants to establish enterprises in urban areas. After nearly a year's preparations and with the full support of party committees and people's governments at various levels, peasants of Longgang Village finally gathered enough funds to establish the first industrial development company in Nanning City.

HENAN CPC COMMITTEE HOLDS PLENARY SESSION

HK050209 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 4 Dec 84

[Excerpts] The Second Enlarged Plenary Session of the Fourth Henan Provincial CPC Committee was held in Zhengzhou from 22 November to 1 December. The session seriously studied the relevant important instructions of leading central comrades. In connection with Henan reality, they studied and discussed the questions of how to implement the CPC Central Committee decision on reform of the economic structure, how to speed up the pace of reforming the economic structure in the urban and rural areas, and how to accelerate the development of commodity economy.

Prior to this session, the provincial CPC Committee held two enlarged meetings of its Standing Committee to seriously study the decision, conduct investigations and study, and make proper preparations for holding the session.

Provincial CPC Committee Secretary Liu Jie made an important speech. Deputy Secretary Liu Zhengwei spoke at the opening of the session. Deputy Secretary He Zhukang gave a comprehensive introduction on his visit to the United States. The session was a lively affair. Through study and discussion, the participants unified their thinking, found the key obstacles hampering the development of commodity economy in the province, and put forward specific policies and measures suited to the province's realities.

The session seriously discussed and amended the provincial CPC Committee's views on implementing the CPC Central Committee decision on reform of the economic structure, the provincial CPC Committee's views on vigorously developing rural commodity economy, and the decision of the provincial CPC Committee and government on helping mountain regions and poor areas to transform themselves as quickly as possible. The session also studied specific ways of implementing these documents.

The provincial CPC Committee's views on seriously implementing the CPC Central Committee decision on reform of the economic structure pointed out: At present a new situation of accelerated development of socialist commodity economy has appeared throughout the country. The leading comrades throughout the province must clearly understand that the invigoration of Henan's economy is at the critical moment, and the competitiveness and vitality of the enterprises is facing a severe test. We must have a strong sense of urgency and of crisis, apply the do-or-die spirit, work to catch up with others, speed up reform of the economic structure, promote great development of the social productive forces in the province, and ensure that industrial and agricultural output value doubles the 1980 figure by 1990. To reach these goals, we must succeed in the following respects:

1. Emancipate our minds, relax the policies, and invigorate the enterprises. We must establish a Chinese-style socialist economic system full of vigor and vitality. The cardinal link consists of resolutely invigorating the enterprises, and in particular bringing into full play the role of the large and medium enterprises, which occupy an important position in the national economy.
2. Proceed from reality and gradually carry out coordinated reform of the entire economic system. We must speed up the pace of streamlining the administration and delegating powers, and resolutely separate government administration from enterprise management in duties and responsibilities. Enterprises subordinate to the province must be delegated to lower levels as soon as possible. Anyang, Kaifeng, Luohe, and Zhengzhou Cities can advance ahead of the others in this respect, and complete the delegation by the end of the year. Other enterprises, including those subordinate to prefectures, can be delegated to cities and counties in groups and batches in light of the actual situation.

This should be completed by the end of the first quarter of next year at the latest. It is necessary to do a good job in dovetailing procurement and sales plans, capital, products, and raw material allocation in all those enterprises being delegated.

3. Uphold the principle of opening up to the world and create a new situation in the province's foreign economic relations work. We must learn two abilities: how to organize domestic construction and how to develop foreign economic relations. Foreign economic relations work must be assigned an important place on the agenda of the party committees at all levels. We must adopt a variety of ways to clear the channels for opening up to the world.

4. Boldly employ and actively train large numbers of middle-aged and young economic management cadres. We must emancipate our minds, broaden our vision, break down the bonds of all old conventions hampering the discovery and employment of talent, and employ a generation of new people as soon as possible. Apart from paying attention to selecting and promoting outstanding talent in their 40's, we must also pay attention to selecting and promoting younger people in their 30's and 20's, and allow them to shoulder heavy burdens at an early age.

We must further implement the policies on intellectuals, and resolutely correct the phenomena, still existing today in some places and units, of attaching little importance to science and technology and exploiting brain-power, and discriminating against and squeezing aside intellectuals.

5. Strengthen leadership over the work of reforming the economic structure. From now on, the party committees at all levels must devote their main effort to providing careful guidance for reforming the economic structure. They must center their work on reform and stimulate all other work.

The views of the provincial CPC Committee on vigorously developing rural commodity economy pointed out: Developing rural commodity economy in a big way is the urgent requirement of the development of the situation. The development of the rural commodity economy in Henan has only just started. In many respects it has not yet been truly launched. Some cadres, in particular some leading cadres, are seriously lacking in the idea of socialist commodity economy. They have not completely eliminated old traditional concepts and the bonds of leftist thinking. The concept of natural economy based on small production and the conservative mentality of sticking to old ways have profound influence. We must therefore further enhance consciousness in developing commodity production and shift our work focus to economic construction. While striving to achieve the vast goal of doubling agriculture ahead of schedule, we should try to achieve 10 percent increases next year in total agricultural output value and in average incomes, compared with this year. Total output of township and town enterprises should break through the 10 billion yuan mark. Thus the rural economy will show more rapid and all-round development.

The document also dwelt on readjusting the rural economic structure, continuing to carry out in depth reforms of the rural economic system, and further strengthening leadership over rural commodity economy.

Comrade Liu Jie's speech was in three parts: 1) Fully understand the importance and characteristics of developing socialist commodity economy; 2) 12 major tasks to be tackled to achieve economic take-off in the province; 3) strengthen party leadership.

He said: The most important content of the decision is that of bringing into full play, on the basis of public ownership, the role of planned commodity economy, to achieve the basic tasks of developing the social productive forces and continually satisfying the people's growing material and cultural needs.

This is the theoretical basis for us in carrying out reform of the economic structure. We must completely change the traditional concept of regarding commodity economy as something alien to socialism or as a remnant economy. We must reevaluate the characteristics of socialist economy. Planned economy must be based on and make use of the law of value. It is necessary to establish the concept of competition and the concept of turnaround of capital, that is, increase in value.

The rise of the new world technological revolution is both a challenge and a spur. So long as our minds are emancipated, our policies correct, and our measures effective, we can pass over certain conventional stages of development, advance in leaps and bounds, speed up the pace, catch up with others, and strive to bring our output value into the leading ranks in the whole country as soon as possible.

In order to promote economic take-off in the province, Comrade Liu Jie proposed that it is essential to get a vigorous grasp of communications and transport, speed up technical transformation in industry and the pace of development of collective industry, create a new situation in foreign economic relations and trade, bring into full play the key role of the cities, step up the construction of small towns, industrialize agriculture and turn it in the direction of commodity production, develop economic cooperation and joint undertakings, and develop tertiary industry.

To ensure the smooth progress of reforming the economic structure, Comrade Liu Jie stressed that it is essential to strengthen party leadership. The leading organs at all levels must further emancipate their minds, take the lead in reform, and enthusiastically support comrades who are bold in reform. They must preserve the masses' enthusiasm and creativity in demanding reform, and also be vigilant against and thwart negative factors that damage and interfere with reforms, and correct unhealthy trends that emerge in the new situation.

Comrade Liu Jie said: After this session, the province and the prefectures, cities, and counties must send a number of cadres down to investigate and study, sum up experiences, propose reform schemes and measures that conform with reality, grasp their implementation, and stimulate the continual advance of reforms.

GUIZHOU CONGRESS ON POLITICAL, LEGAL DEPARTMENTS

HK051044 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 3 Dec 84

[Text] The congress of advanced collectives and workers of the Political and Legal Department and affiliated organizations in Guizhou Province opened in the hall of the provincial People's Government yesterday [3 December] morning.

Leading comrades of the provincial CPC Committee, the provincial Advisory Committee, the provincial People's Congress Standing Committee, the provincial government, and the provincial CPPCC Committee, including Su Gang, Wang Chaowen, Wu Shi, Miao Chunting, Li Tinggui, Qiao Xueheng, Wu Su, and (Luo Zhengcai), attended the congress.

Wang Chaowen, secretary of the provincial CPC Committee and governor, delivered the opening speech. He said: This congress is held in the excellent situation after very great achievements in the first severe battle against serious criminal activities have been scored, social order has remarkably improved, and outstanding results in building the two civilizations have been achieved. This congress will sum up the experiences in the first stern battle against serious criminal activities, will exchange experiences, and will commend and reward the advanced collectives and advanced workers emerging in the struggle. Through commending the advanced, we must seriously sum up experiences, must make sustained and redoubled efforts, and must advance on the crest of victory. We must carry the stern struggle against serious criminal activities through to the end and must strive for a basic improvement of social order at an early date.

At the congress, (Zhu Di), secretary of the Political and Legal Committee of the provincial CPC Committee, made a report entitled "Make Sustained and Redoubled Efforts, Advance On the Crest of the Victory, and Work Hard To Create a New Situation in Political and Legal Work." The Ministry of Public Security, the Supreme People's Court, and the Supreme People's Procuratorate have sent congratulatory telegrams to the congress.

SICHUAN MEETING ON DEVELOPING TERTIARY INDUSTRY

HK050255 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 4 Dec 84

[Excerpts] From 27 to 30 November, the provincial government convened in Chengdu a forum of 16 Sichuan cities on developing tertiary industry. Over 100 people attended the meeting, including representatives of the 16 cities and responsible persons of provincial departments and bureaus concerned. Vice Governor Gu Jinchi presided and delivered a report on developing tertiary industry to meet the provincial CPC Committee's call for enriching the people and improving the province's status. Vice governor He Haoju attended and spoke.

The meeting seriously studied the relevant instructions of leading comrades of the Central and provincial CPC Committees on vigorously developing tertiary industry, exchanged information on the development of tertiary industry at home and abroad, and discussed a number of views of the provincial government on developing tertiary industry.

The meeting pointed out: Tertiary industry embraces service trades of all types. We must proceed from the reality of the development of industry, agriculture, and the building trade, and from the people's growing needs in daily life, to draw up a list of priorities and grasp the key points in developing tertiary industry.

Apart from continuing to promote key construction and technological transformation in communications, posts and telecommunications, culture, education, and so on, we must also promote the construction of guesthouses, inns, and urban housing, and develop service undertakings such as the clothing trade, urban public transport, labor services of all types, tourism, trade centers, food processing, information, consultative services, the training of talent, exploitation of brain-power, and so on. We should solve the masses' problems in food, clothing, housing, and transport, and of putting their children in nurseries, and also solve the lack of talent and technology for developing each trade and sector, together with the problem of failure to provide adequate information.

Tertiary industry covers a very broad field. The meeting demanded that all levels strengthen leadership and that all departments closely coordinate with each other and adopt positive policies and measures to support and promote the development of tertiary industry.

SICHUAN RIBAO URGES CORRECTING UNHEALTHY TRENDS

HK060307 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 5 Dec 84

[Report on 6 December SICHUAN RIBAO commentator's article: "Be Vigilant Against Two Unhealthy Trends Interfering With Economic Reform"]

[Excerpts] The current state of economic reform in our province is very good. The cadres and masses have actively plunged into the tide of reform.

According to our information, there are a few comrades with unhealthy thinking who seize loopholes in reform to harm and interfere with economic reform, ruin its reputation, and delay its progress. At present we must be vigilant against two unhealthy trends. First, certain party and state organ personnel, including work personnel of certain popular organizations, and a few cadres' dependents, buy up state materials in short supply and resell them at a vast profit. Second, in implementing the decision, certain enterprises and units rely on loafing and trickery and on indiscriminately hiking prices to increase their income, instead of doing sound investigation and study and launching the masses to improve management, cut production costs, and raise economic results. They thus damage the interests of the state and the consumers.

The article says: The reform of the economic structure, with the focus on the towns, that we are engaged in is an extremely complex and mass undertaking involving exploration and creation. It is a profound transformation. It is almost inevitable that certain comrades, influenced by old thinking and bound up by habitual forces, will be unable to keep abreast of the situation. However, it is absolutely impermissible to take advantage of loopholes in reform to engage in malpractices.

With regard to the two unhealthy trends mentioned above, we must not take too serious a view of them and thereby negate the main current; and neither must we regard them lightly and adopt a laissez-faire approach. Very great harm will be done if we do not promptly put a stop to these unhealthy trends and allow them to develop. They are very likely to ruin a number of cadres.

These two unhealthy trends have a common ideological source, that is, they violate the party's program of serving the people wholeheartedly and discard the overall situation of the four modernizations drive in the country. While curbing these trends we must, in conjunction with party rectification, step up appropriate ideological and political work and conduct reeducation among the cadres in serving the people wholeheartedly. We must help comrades who have made mistakes to enhance ideological understanding and rapidly catch up with the situation.

We must deal severely with personnel involved in serious mistakes that have caused very great loss to the interests of the state and people. Apart from economic sanctions, they must also suffer disciplinary punishment and legal sanctions according to the circumstances.

XIZANG PEOPLE'S CONGRESS MEETING OPENS IN LHASA

HK051427 Lhasa Xizang Regional Service in Mandarin 1130 GMT 4 Dec 84

[Text] The ninth meeting of the fourth regional People's Congress Standing Committee opened in Lhasa on the morning of 4 December. Pagbalha Geleg Namgya, vice chairman of the regional People's Congress Standing Committee, presided over the meeting. On the main agenda of this meeting are:

1. To listen to the report on China's Xizang goodwill delegation, visiting the Kingdom of Nepal;
2. To discuss and examine the Xizang Region's regulations on the exercise of autonomy;
3. To discuss and examine the regulations on work of the Xizang Regional People's Congress Standing Committee;
4. To examine and discuss the main points of work of the Xizang Regional People's Congress Standing Committee in 1985;
5. To examine, discuss, and adopt appointments and removals.

Shengqin Luosangjianzan, Cao Xu, Buduoji, Langjie, and Jiangzhong Zhaxiduoji, vice chairmen of the regional People's Congress Standing Committee, attended the meeting. Responsible persons of the regional People's Government, the regional Higher People's Court, and the regional People's Procuratorate attended the meeting as nonvoting delegates. Others attending the meeting as nonvoting delegates were responsible persons of all work committees of the regional People's Congress Standing Committee, the Lhasa City People's Congress Standing Committee and the liaison departments of all prefectural people's congresses, and some county people's congress standing committees in Lhasa City. At the meeting, the participants also studied the decision of the 3d Plenary Session of the 12th CPC Central Committee on reform of the economic structure and relevant documents of the central authorities.

YIN FATANG SPEAKS AT XIZANG PRIZE-GIVING RALLY

HK060323 Lhasa Xizang Regional Service in Mandarin 1130 GMT 4 Dec 84

[Excerpts] The regional symposium on correcting party style in Lhasa held a commendatory and prize-giving rally in the hall of the regional CPPCC Committee on the morning of 4 December. The rally was presided over by (Zhao Yuantang), deputy secretary of the Discipline Inspection Committee of the regional CPC Committee. Yin Fatang, first secretary of the regional CPC Committee; and Yanglin Duoje, secretary of the regional CPC Committee, attended the rally.

After the opening of the rally, the Discipline Inspection Committee of the regional CPC Committee presented silk banners to 13 units which have made outstanding achievements in correcting party style and strictly enforcing party discipline. After prizes were awarded, Yin Fatang, first secretary of the Regional CPC Committee, spoke at the rally. At the rally, some 10 units, including the regional machinery repairing plant, [words indistinct] Foreign Affairs Department, [words indistinct], Lhoshag County, and Barang County, introduced their experiences in correcting party style.

Yangling Duoje, secretary of the regional CPC Committee, and all Standing Committee members of the regional Discipline Inspection Committee attended the rally on 4 Dec 84.

The regional symposium on correcting party style which lasted 7 days, concluded on the afternoon of 4 December.

The following are excerpts of the speech of Yin Fatang, first secretary of the regional CPC Committee, at the regional symposium on correcting the party style:

Over the past few years, party organizations and discipline inspection organs at all levels in our region have done a great deal of work in correcting the party style and unhealthy trends. The party style of many units and counties in our region has markedly improved. Judging from this regional symposium on correcting party style, CPC committees and discipline inspection committees at all levels have accumulated many good experiences. It is hoped that in future work, all of you will continue to adhere to the application of these effective experiences, will pay attention to studying the new situation and new problems, and will endeavor to bring forth new ideas and to advance in the new situation.

Regarding how to further correct the party style, to strictly enforce party discipline, and to guarantee and promote the smooth progress of reform of our region's economy, Comrade Yin Fatang said:

1. In the new situation, we must be good at studying the new situation and solving new problems. The orientation and principles of reform in our region are the same as those of other provinces, municipalities, and autonomous regions throughout the country but we also have our own special features and methods. For example, when our comrades engage in party work, they must take the overall situation into consideration, must pay attention to major tasks, and must strive to make their own ideology suit the new situation. CPC committees at all levels must have a big change in guiding ideology in accordance with this new situation. They must place guaranteeing the smooth progress of reform above everything else. To have a big change in work, we must change our leadership methods and enhance our work efficiency. We must greatly improve the art of leadership. We must be good at studying and solving new problems.

2. It is necessary to link grasping economic construction with grasping party style. We must lay stress on building socialist spiritual and material civilization simultaneously. These two civilizations will promote each other. Party style belongs to the category of spiritual civilization. CPC committees at all levels must do well in grasping party style while doing well in grasping economic work.

3. The economy and party style [words indistinct] does not mean that we can [words indistinct]. In the course of reform, strengthening party discipline and rectifying party style is an important guarantee for doing a good job in reform and for concentrating energy on modernization.

4. It is essential to promote reform with party rectification. In the course of party rectification, we must achieve the basic improvement of the party style.

In his speech, Comrade Yin Fatang placed hopes on the building of the discipline inspection departments.

SHANXI'S LI LIGONG ON PARTY RECTIFICATION TASKS

HK060343 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 5 Dec 84

[Excerpts] The provincial CPC Committee convened a gathering on 5 December to mobilize party rectification in the second batch of provincial units to conduct rectification. Over 1,300 party-member cadres at and above office level and of party organizations attended the gathering. Li Xiuren, deputy secretary of the provincial CPC Committee and director of the provincial CPC Committee Party Rectification Office, presided. Provincial CPC Committee Secretary Li Ligong spoke on how to do a good job of party rectification in the second batch of provincial organs.

Li Ligong said: In light of the actual conditions, and in conjunction with the experiences of the first batch, party rectification in the second batch should, under the premise of fulfilling the four tasks set out in the CPC Central Committee decision on party rectification, give prominence to unifying thinking, correcting the guiding ideology for professional work; and, through education in totally negating the Cultural Revolution, it should further eliminate factionalism, strengthen party spirit, promote unity, and better mobilize the enthusiasm of all sectors to work in concert to spur reform of the economic structure and economic construction in the province.

The decision of the 3d Plenary Session of the 12th CPC Central Committee is a tremendous strategic policy decision of the CPC Central Committee for carrying out all-round reform of the economic structure in China. We must regard this programmatic document, which is filled with the spirit of emancipating the mind and seeking truth from facts, as a major document in party rectification and study it accordingly. Leaders at all levels must, in relation to the reality of their thinking and work, further eliminate leftist influence and conservatism.

The second batch of units must do a good job in education in totally negating the Cultural Revolution throughout the process of party rectification. We must stress total negation of the Cultural Revolution.

It is also necessary to teach the party members, especially party-member cadres, to establish the viewpoint of wholeheartedly serving the people and resolutely correct unhealthy trends of taking advantage of certain problems and weak links in reforms to pursue private, partial, or individual interests, and cause confusion in the reforms. We must strictly investigate and deal with cases of state organs, work personnel, and enterprises and undertakings buying up state materials, reselling them at high prices, harming the public for the sake of private interests, sabotaging reforms, and wrecking state plans and construction; cases of [words indistinct] upgrading people, and throwing into confusion the reform of salaries for state work personnel and the cadre system; and cases of doing superficial work and resorting to deception for the sake of fraudulent private gains. We must also resolutely investigate and deal with cases of using powers to engage in bribery and corruption, extortion, smuggling and peddling contraband, buying up foreign currency, evading taxes, and privately distributing state property, cases of serious political and economic losses caused through irresponsible bureaucratism and poor management, and other serious malpractices.

Comrade Li Ligong demanded that the party committees and groups in the second batch strengthen leadership over party rectification work and attach a high degree of ideological importance to it.

JILIN CIRCULAR CRITICIZES ILLEGAL MEDICINE SALES

SK060118 Changchun Jilin Provincial Service in Mandarin 1030 GMT 5 Dec 84

[Text] The provincial Public Health and Security Departments and the provincial Industrial and Commercial Administrative Bureau recently issued a joint circular, calling on administrative, public security, and industrial and commercial departments across the province to immediately organize inspection groups to disseminate and implement the law on medicines and chemical reagents administration and to concentrate on dealing blows to and handling the unlicensed medicine peddlers who go from door to door and set up stands to sell medicines.

The circular stated: Taking advantage of opening free markets and in the name of enlivening the economy, some peddlers reaped staggering profits, ignoring people's interests by illegally producing such fake medicines as (Zhuifenghuoxiadan), (Buxiewan), (Leitanggao), and [words indistinct]. These medicines are illegal products and must be banned.

LIAONING ARTICLE ON REMOVING IDEOLOGICAL OBSTACLES

SK051114 Shenyang LIAONING RIBAO in Chinese 18 Nov 84 p 1

[Commentator's article: "Remove Ideological Obstacles and Achieve Success on Conducting Rectification and Correction"]

[Text] The provincial-level party rectification units have, in succession, entered the stage of conducting rectification and correction. The general situation is good. However, because of ideological obstacles, some units are very sluggish in conducting rectification and correction. Thus, the masses within and outside the party complain of it.

The major ideological obstacle is the idea of "having nothing to do with oneself." The major indicators of this idea are as follows: In the previous stage, rectification and correction were conducted simultaneously, and almost all the mistakes that could be corrected were corrected. The acts of causing damage and waste and abusing one's powers to serve one's own interests were committed by the people at the lower levels with the approval of leaders; thus, they had nothing to do with me because I was not in charge of money and administrative affairs. The bureaucratic style of work belongs to the old administrative bodies rather than the new bodies. Now that I have neither position nor power, nothing can be rectified. All these erroneous ideas result from insufficient understanding of the importance of rectification and correction. After conducting rectification and correction simultaneously in the previous stage of party rectification, some problems were actually solved. But these problems were, basically, general ones. Many serious problems, especially regarding serious bureaucratism and the instances of abuse of power for personal gain that incurred grave economic and political losses to the state have not yet been solved. According to statistics compiled by departments concerned at 19 units, more than 50 capital construction and technical transformation projects, involving investments exceeding 200 million yuan, caused losses and waste. The losses and waste in the circulation sphere was also very serious. In changing from exports to domestic sales, the provincial foreign trade departments have incurred 180 million yuan in deficits during past 4 years. In addition, there are many cases in which commodities kept in stock were stolen, or became mildewed and rotten, and some commodities were sold to foreign traders without any money being collected. Some party members still abuse their powers to serve their own interests. This shows that the idea of "that's good enough in party rectification" is not tenable. Some people liken their units to "clean-water offices," and think that nothing deserves rectification. In fact, it is often the case that the water in "clean-water offices," is not clean.

For instance, the provincial Higher Education Bureau cracked down on and dealt with a party-member cadre who used powers to seek personal gain, violated laws, and committed crimes. Therefore, even the clean-water offices should pay attention to their rectification and correction work. It is also wrong that some people regard the checking of bureaucratism and abuse of powers for personal gain as the duty of leaders. In particular, party members of the provincial-level organs should have a correct understanding of this, should actively participate in rectification and correction in line with realities, and should voluntarily raise opinions regarding rectification and correction.

It is an unshirkable duty of all party members, party-member leading cadres in particular, to get rid of the idea of "having nothing to do with me," to remove all ideological obstacles, and to rapidly make a breakthrough in conducting rectification and correction.

LIAONING'S GUO FENG ADDRESSES JOURNALISTS ON REFORM

SK060605 Liaoning Provincial Service in Mandarin 2200 GMT 5 Dec 84

[Excerpts] On the morning of 5 December, at the meeting room of the provincial CPC Committee, Guo Feng, first secretary of the provincial CPC Committee, and Dai Suli, secretary of the provincial CPC Committee, cordially received excellent journalists from the eight provinces who participated in the national commendation rally for excellent journalists, congratulated them and all provincial journalists, and encouraged all journalists to continually uphold the party spirit and principle on journalism, uphold the ideological line of dialectical materialism, and consistently strengthen their study and knowledge in order to promote the reform of journalism in the course of promoting economic reform.

In his speech, Comrade Guo Feng highly appraised the achievements scored by the journalists, and set an even higher demand on them and on the entire contingent of journalists. He said: Journalists should consistently improve their political and professional quality in order to meet the needs of the current reform. They should regard the work of ensuring and promoting reform as their own duty, and vigorously publicize and report breaking stories and the advanced figures emerging in the course of reform. However, special attention should be paid to avoiding superficial service and avoiding using powers to seek personal gain. In making public the advanced figures and collectives, we must seek truth from facts, observe the proprieties, leave some leeway, uphold the truthfulness of press reports, strengthen the education on journalist professional morality, further straighten out the ideology guiding professional work, and continually create a new situation in journalist work.

Speaking at the reception were Shen Xianhui, Standing Committee member of the provincial CPC Committee and director of the Propaganda Department; Li Huang, former permanent secretary of the provincial CPC Committee; and Liu Yiyun, Standing Committee member of the provincial Advisory Commission. Also attending the reception were responsible persons of the central press units stationed in Liaoning and of the provincial and the Shenyang City press units.

JOINT ECONOMIC COUNCILS CONFERENCE CONTINUES

High-Tech Symposium Held

OW051201 Taipei CNA in English 1100 GMT 5 Dec 84

[Text] Taipei, Dec. 5 (CNA) -- Delegates to the 8th Joint Conference of ROC-U.S. and U.S.-ROC Economic Councils held a symposium Wednesday morning on the development of state-of-the-art technology in the 1990s. The symposium focused its discussions on the future trend of high-tech industries in the United States and the transfer of high technology to the Republic of China.

The U.S. side submitted three papers on the development of microelectronics, application of computers and competition in high-tech in the future era.

Irving T. Ho, vice chairman of the National Science Council, reported on the development of information industry in Taiwan. He said that information industry is still at burgeoning stage in this nation, but has been growing rapidly in recent years. Sales of Taiwan-made information products at home and abroad jumped to US dollars 400 million last year from US dollars 5 million five years ago, he pointed out.

All participants in the joint conference also attended a party in the evening at the Chungshan Building on Yangmingshan to celebrate the bicentennial anniversary of the Sino-American trade.

Chiang Meets U.S. Officials

OW051431 Taipei CNA in English 1412 GMT 5 Dec 84

[Text] Taipei, Dec 5 (CNA) -- President Chiang Ching-kuo received at his office Wednesday afternoon two American officials attending the Eighth Joint Conference of the ROC-U.S.A. and U.S.A.-ROC Economic Councils.

The visiting American officials were David M. Kennedy, chairman of the USA-ROC Economic Council, and W.N. Morell Jr., president of the council, and their respective wives.

President Chiang extended hearty welcome to them and asked them to convey his regards to those American delegates who are here for the conference. When exchanging views on the Sino-American relations and the current international world situation, President Chiang pointed out that the strengthening of Sino-American friendship and the continuing promotion of the trade relationship between the two nations will benefit both the two sides.

Yu Receives Alaska's Murkowski

OW060323 Taipei CNA in English 0242 GMT 6 Dec 84

[Text] Taipei, Dec. 5 (CNA) -- Premier Yu Kuo-hwa Wednesday received U.S. Senator Frank Murkowski and Mrs. Murkowski at his office. The visitors were accompanied by John H. Chang, director of the Department of North America, MOFA.

Yu extended his hearty welcome to the guests from the State of Alaska and exchanged views with them on the economic relations between the Republic of China and the United States.

Sen Murkowski has come here to attend the Eighth Joint Conference of ROC-U.S.A. and U.S.A-ROC Economic Councils which has just concluded three days of discussions here. This trip is Murkowski's third visit to the ROC.

Murkowski Holds Fishery Talks

OW060327 Taipei CNA in English 0248 GMT 6 Dec 84

[Text] Taipei, Dec. 5 (CNA) -- The Government of the Republic of China has banned exports of salmon and trout since last year, agricultural officials here told U.S. Senator Frank Murkowski Tuesday. The ROC Government has also banned its deep-sea fishing fleets from catching these two kinds of fish in recent years, the officials said. The nation's fishing fleets did sometimes unintentionally catch a tiny amount of salmon and trout, but the catches were made in the high seas off the Kuril Island, not off Alaska, the officials pointed out.

The officials further indicated that the ROC's fishing fleets operating in the Northern Pacific Ocean have faithfully abided by the international laws and seldom invaded the U.S. territorial waters off the Alaska coast. Chinese fishing boats usually operate on the high sea 200 nautical miles off the Kuril Islands, the officials stressed.

The Chinese officials had a talk with Sen. Murkowski Tuesday afternoon on some long-standing fishery disputes between the two countries. The meeting proceeded in a friendly atmosphere.

Sen. Murkowski said he understood ROC's stances concerning these problems and that he would bring all the reports and statistics provided by the fishery authorities here back to his country for further investigation and study. During the meeting, the senator from Alaska also expressed the hope that the ROC ventures cooperate with Alaskan enterprises to produce fish powder and jam in his home state.

Fishery Cooperation Urged

OW050427 Taipei CNA in English 0302 GMT 5 Dec 84

[Text] Taipei, Dec. 4 (CNA) -- The State of Alaska is rich in fishery resources and people of the Republic of China are welcomed to make direct investment or set up joint ventures there to jointly develop a highly lucrative fish-processing industry, U.S. Senator Frank Murkowski said Monday in an interview with the UNITED DAILY NEWS.

The senator from the State of Alaska, who is also chairman of the East Asian and Pacific Affairs Subcommittee of the Senate Foreign Relations Committee, arrived in Taipei Sunday to attend the ongoing 8th Joint Conference of the ROC-U.S. Economic Council and its U.S.-ROC counterpart.

Besides attending the meeting, Sen. Murkowski said he would take advantage of the current trip to talk with responsible authorities here on the possible fishery cooperation projects between the ROC and his home state. The senator added that he would also negotiate with the ROC Government on the signing of a long-term agreement with the U.S. Government on the nation's fishing rights in the U.S. economic zones, particularly off the Alaskan coast.

Sen. Murkowski pointed out that fishermen from Taiwan have many times been charged with illegally catching salmon in waters near Alaska in recent years. "Your fishermen's operations have sometimes infringed upon our fishermen's legal rights," the senator said. Murkowski further indicated that he took an American fishery expert along with him this time to talk with Chinese officials on the settlement of fishing disputes between the two sides.

The senator said he hopes the proposed new agreement will definitely mark out operating areas for Chinese fishing boats. He also urged that the two countries cooperate closely to protect the diminishing salmon resources.

Ohio Signs Aid Accord

OW050411 Taipei CNA in English 0258 GMT 5 Dec 84

[Text] Taipei, Dec. 4 (CNA) -- The China External Trade Development Council (CETDC) signed an agreement of mutual assistance Tuesday with the State of Ohio, the United States.

Chang Kwang-shih, CETDC chairman, and Ohio Governor Richard F. Celeste, on behalf of the two sides, inked the document at a signing ceremony held at the Grand Hotel in Taipei.

Under the agreement, the CETDC and Ohio will work more closely to promote overseas trade and investment opportunities. In addition the two parties will exchange commercial information and organize trading missions to visit each other.

Ohio is the 26th American state that has signed such an agreement with CETDC. According to statistics compiled by the customs, the Republic of China imported U.S. dollar 122.8 million worth goods from Ohio in 1983.

Governor Celeste, leading a 40-member trading mission, has been here to attend the Eighth Joint Conference of the ROC-USA and USA-ROC Economic Councils being held in the Grand Hotel in Taipei.

TA KUNG PAO ON PRC TRADE WITH USSR, EAST EUROPE

HK050735 Hong Kong TA KUNG PAO in Chinese 5 Dec 84 p 2

["Political Talk" column by Shih Chun-yu: "China Develops International Freight Transport via the Soviet Union"]

[Text] The Great Results of Implementing the Open-Door Policy

China is developing its international freight shipping via the Soviet Union. This has been welcomed by countries in East Europe, West Europe, the Middle East, and the Near East. This should be regarded as another great result of China's implementing the open-door policy, and a sign of improvement in Sino-Soviet relations.

Following the signing of the Sino-Soviet agreement on the transit of containerized shipping in August last year, China has greatly developed containerized shipping. During the first 3 quarters of this year, the number of containers dispatched by China was 4,480, nearly 11 times as many (268) as dispatched in 1980 when China started international rail shipping.

China Is Expanding Exchanges With East Europe

China is expanding its economic contacts with Europe. Chen Muhua visited East Europe last October. A Sino-Hungarian agreement, and a Sino-Czechoslovakian agreement have further promoted trade and technical exchanges between China and these countries. Sending goods to East Europe via containerized rail shipping via the Soviet Union is more convenient and economic than sea or air transport. It is an ideal transport channel. China sends more than 10 kinds of goods through this transport channel, including textile products, clothing, native products, livestock products, canned food, metals, mining products, private goods, and others. These are commodities needed by East European countries. This is why various European countries have praised this transport channel for its convenience, prompt delivery of goods, easy way of settling accounts, and lower costs.

A Large Quantity of European Goods Exported to China

This is a convenient channel for transporting freight to East Europe. In addition, due to the fact that the Soviet Union is a country with vast territory and that its rail transport is highly developed in its European section, a new freight transport channel via the Soviet Union to northern Europe, West Europe, and the Middle East can be opened up. In particular, containerized shipping is noted for its convenience, prompt loading and unloading, safe operation, and reliability.

What is important is that China has also imported a large quantity of goods from Europe via the Soviet Union and Mongolia. With the opening up of this new rail freight shipping China has another important artery for shipping freight to all Europe. Certain machinery products should be transported using containers.

Shenzhen in the South and Erenhot in the North

Last September, Hu Yaobang visited Nei Monggol. He inspected Erenhot located near the Sino-Mongolian border (the city is only 3 km from the national boundaries of Mongolia). He stressed that Erenhot should also be turned into an important trading port with foreign countries. He pointed out that we should go all out to develop foreign trade, and promote the work of implementing the open door policy. We should have "Shenzhen in the South and Erenhot in the north." The window of Erenhot is very important.

Considering Hu Yaobang's remarks in light of the development of international rail freight shipping via the Soviet Union and its role, we realize that "Erenhot in the north" does play an important role in implementing the open-door policy. Shenzhen in the south and Erenhot in the north, in conjunction with Hong Kong and the 14 coastal cities opened up to the outside world, are like a pair of wings spreading and soaring to great heights.

Without the recent improvement in Sino-Mongolian and Sino-Soviet relations, it would have been impossible to open up this international containerized rail shipping. China and Mongolia have held four talks in recent years in a friendly atmosphere. No boundary dispute has occurred between China and Mongolia recently.

The fifth round of negotiations between China and the Soviet Union ended in Beijing last October. Although there are still obstacles to the improvement of their relations, both sides have agreed to expand their exchanges in the fields of the economy, trade, culture, sports, and science and technology. Next year, the volume of trade between China and the Soviet Union is expected to increase to \$1.45 billion. No conflict has occurred in recent years along the Sino-Soviet border.

Facts have proven that China's open-door policy and its peaceful diplomacy are more and more welcomed by East Europe. With the further implementation of its open-door policy, China's economic exchanges with the world will be like the soaring of spring clouds and will have a bright future.

PRC LEGAL EXPERTS ARRIVE TO STUDY LOCAL SYSTEM

HK040701 Hong Kong HONG KONG STANDARD in English 4 Dec 84 pp 1, 2

[By Wong Wing-hang]

[Text] The various aspects of law in Hong Kong will come under close scrutiny by Chinese legal experts this month. A seven-member team from China arrived here yesterday for discussions on all aspects of the law in Hong Kong. The team, composed mostly of members from the Institute of Law under the Chinese Social Science Academy, will be in Hong Kong for a month. It will assess the local people's views on drafting the basic law.

The group, led by the director of the institute, Mr Wang Shuwen, has been invited by the Chinese Chamber of Commerce. It will pay a courtesy call on the attorney-general, Mr Michael Thomas, on Saturday and the chief justice, Sir Denys Roberts, next week. The delegation will also visit different local courts. The detailed itinerary for the team has not yet been finalised.

The team members are likely to meet academics in the legal field in the two local universities and members of the Bar Association and the Law Society.

The delegation includes the deputy director of the institute, Mr Wu Jianfan; the deputy director of China Law Society's Legal Consultancy Department Service, Mr Yi Chengxin; the deputy researcher, Mr Xie Huaishi; the assistant researchers, Mr Zheng Chengsi and Mr Xu Bing; and an interpreter, Mr Zhou Yeqian.

Local observers were slightly disappointed that Mr Zhang Youyu, deputy director of the Law Committee under the National People's Congress, had not come.

The members of the delegation were tight-lipped when they arrived yesterday. It was said that they had no plans to talk to the press at this early stage of their visit.

Mr Ho Sai-chu, chairman of Chinese Manufacturers Association's Law Committee, said that the main purpose of the group's visit was to know more about Hong Kong's legal system and to exchange views with their Hong Kong counterparts. He pointed out that the team had not come to collect views on the drafting of the basic law, though there was such a speculation that it was the main aim. However, Ho added: "Of course, they will not refuse to listen to local people if they want to make known their views on the basic law." It was also not known if their drafting would be treated as reference material during the drafting of the basic law.

Ho said that the delegation had no plan at the moment to meet members of other local organisations than legal institutions. He added that two local pressure groups had already contacted the CMA, hoping to meet the delegation.

This is the first time that Chinese legal experts have come to Hong Kong to find out how the law works here.

The legal profession in China had been criticized for having little knowledge of the system in Hong Kong. This had led to concern that a set of basic laws that did not take into consideration the actual situation here might be drafted. "As China is putting more emphasis on the rule of law, the country's legal experts have to seek more knowledge on how the systems work in other places."

The legal system in Hong Kong was based on that of Britain. And so it was appropriate that the delegation should come to assess the system to plan for the future, Ho said. He said in recent years China had sent delegations to many countries to study their legal systems. The current visit to Hong Kong had been planned long ago and it was originally scheduled to take place in June, he added.

The Institute of Law under the Chinese Social Science Academy enjoys a very high reputation in China's legal field. It is generally believed that the members of the institute will serve as the backbone of the future basic law drafting committee.

Ho, who is a delegate to the Chinese People's Political Consultative Conference, said Hong Kong people's views would definitely be taken into account when the basic law was drafted.

Ho added: "I will not be surprised if there are Hong Kong people sitting on the basic law drafting committee."

The drafting and consultative process for the basic law had come into public focus after the joint declaration was initialled in September. There were strong demands that local people should not only be consulted, but they should also be allowed to participate directly in the drafting of the basic law. These wishes were clearly mentioned in the statement made by the Umelco delegation to London and the Assessment Office report.

Local people were naturally confused when there were contradictory reports on whether local people could participate in the drafting of the basic law. The latest version came from the local chief of the XINHUA NEWS AGENCY, Mr Xu Jiatun, last month. Xu had said the basic law drafting committee might include local people.

Ho explained that there was some initial confusion because China had not decided on how the basic law should be drafted. He felt that Xu's version should be the correct one.

HONG KONG FUTURE SECURE, HOWE TELLS PARLIAMENT

HK060619 Hong Kong SOUTH CHINA MORNING POST in English 6 Dec 84 p 1

[From Michael Chugani]

[Text] London, Dec 5 -- The Foreign Secretary, Sir Geoffrey Howe, told Parliament today in clear language that the British delegation in the joint liaison group would include officials from the Hong Kong Government. The promise came as Parliament began its historic debate on the Hong Kong agreement which will hand the territory back to Chinese rule in 1997.

Sir Geoffrey said there would be the fullest consultation with the Executive Council on the joint liaison group. He said that while the group's makeup has not been determined, "the interest of Hong Kong will need to be properly represented." He promised that the joint liaison group would "in no sense be a shadow government." Sir Geoffrey also pledged Britain's commitment to Hong Kong up to 1997. He also assured there would be "a form of British nationality" for those Hong Kong people who would otherwise become stateless after 1997. Sir Geoffrey told the House of Commons that this guarantee would be contained in draft legislation to be brought before Parliament.

He made it clear that the 3.1 million Hong Kong-born Chinese holding British passports would cease to be British Dependent Territories Citizens after China resumed sovereignty over the territory, ruling out their right of abode in the United Kingdom. "... Those who are British Dependent Territories Citizens before July 1, 1997, can retain during their lifetime an appropriate status, which by definition will be a form of British nationality," he said.

The debate was delayed for more than two hours by the controversial issue over cuts in student grants which saw Mrs Margaret Thatcher's government face the biggest revolt ever by Conservative MPs. The governor, Sir Edward Youde, and the Umelco delegation took their seats at about 4.30 pm and waited impatiently for the Hong Kong debate to start. Outside, many Chinese people were queuing up to get into the public gallery. Only about 50 MPs were present during the debate although parliamentarians had earlier said there would be much interest. Most MPs left after the debate on student grants and Mrs Thatcher herself left shortly after.

When the debate finally started, Sir Geoffrey disclosed that legislation would be introduced early next year to pave the way for the termination of British sovereignty over Hong Kong. He said it would also provide powers to make other changes to the law, including the Nationality Law. Sir Geoffrey said it would be too much to expect the White Paper on Hong Kong's future, reached after "extremely complex and sometimes difficult" negotiations, to provide the whole answer to every problem. Despite this, he said, he believed the future of Hong Kong "is a secure one."

"The agreement is both comprehensive and detailed," he said, reiterating that it was internationally legally binding. He said the agreement provided clear guidelines for the draft of the basic law for the future Special Administrative Region government of Hong Kong. He said the Chinese Government was aware of the hope of Hong Kong people to be "fully consulted" about the drafting of the basic law.

Stressing the need for close co-operation between London and Peking during the transition period, he said the joint liaison group "is the best means of ensuring the provisions of the agreement are put into practice."

He noted that the group would serve to avoid "abrupt shifts" in 1997 which might disturb the continuity of life in Hong Kong. "I regard its work as of the highest importance," he said.

He repeatedly maintained that Britain would not relinquish its commitment to Hong Kong before the lease expires, apparently trying to allay fears expressed by some Hong Kong people. "Let no one doubt that commitment," he declared. "We shall continue to discharge our obligation to Hong Kong until June 30, 1997, and we shall do so responsibly and effectively," he said.

He even told Parliament that Whitehall shall "follow the fortunes" of the future SAR government in Hong Kong "with the utmost attention and sympathy."

He was, however, not able to allay the fears expressed by Hong Kong people about conscription into the Chinese Army, saying that this was a matter for the Chinese government. By the same token, he said the stationing of Chinese forces in the territory was a defence matter for Peking.

But he said: "I am confident the Chinese Government is aware of the sensitivities in Hong Kong on this matter, and that they will act prudently."

Pointing out Hong Kong's long dependency on China, he said Peking had a very strong interest in both adhering to the agreement and making sure that it works.

"Firstly," he said, "China has and is likely to continue to have strong economic reasons for wishing to see Hong Kong remain stable and prosperous."

"Secondly, and even more importantly, the whole course of Chinese reunification, which has always been a central policy of the Chinese Government, is likely to be connected to the success of this agreement," he said.

He believed that Peking leaders would wish to preserve China's good name. Sir Geoffrey also gave his approval to the reports recently compiled by the Assessment Office and the monitoring team.

"That is an authoritative, and a most important conclusion," he said, referring to the finding that most Hong Kong people found the draft agreement acceptable.

For the first time, Sir Geoffrey confirmed that the Government did try to maintain a British administration after 1997 in the early part of the Peking talks. He conceded that the negotiations almost broke down after the first 12 months.

"The Government concluded that a breakdown in negotiations, with all the uncertainties that would have created, could not in the long view offer satisfactory prospects for the people of Hong Kong and the future stability and prosperity of the territory," he said.

Against this backdrop, the British negotiators relented their demands after seeking approval from the governor, Sir Edward Youde, and the Executive Council.

Following Sir Geoffrey's speech the Labour Party spokesman on foreign affairs, Mr Denis Healy, expressed his disappointment that the Government had turned down the opposition's request for a two-day debate. He said that although the Government had promised a longer one-day debate, two hours had been lost because of other business.

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Mr Healy said it was disturbing that one out of three individuals who expressed their views to the Assessment Office had opposed the draft agreement. He said the Assessment Office would have also been disappointed from the very small number of individuals who had expressed their views. He said the two monitors were right in saying that this was because the Assessment Office had taken such a long time to assure the people of Hong Kong that their views would be kept in confidence if they approached it.

But Mr Healy nevertheless praised the agreement as one of "political realism and diplomatic skill." He said the assessment report was "decently honest," adding that the views of Hong Kong matched those of the House of Commons.

Earlier, while Sir Geoffrey was delivering his opening statement he was interrupted on a number of occasions by MPs who asked for clarification on issues ranging from the composition of the joint liaison group and the role of the Chinese Army and conscription to whether Britain has a plan at this stage on what to do with the Vietnamese refugees living in Hong Kong. Sir Geoffrey did not give clear cut answers, saying that this would be answered during the course of the debate.

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